

City of El Cajon California



**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014**

City of El Cajon, California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014



*Honoring and celebrating
the people who make El Cajon
The Valley of Opportunity*

Prepared by the Finance Department

CITY OF EL CAJON TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	v
Certificate of Achievement for Excellence in Financial Reporting (CSMFO)	x
List of Principal Officials	xi
Organizational Chart	xii

FINANCIAL SECTION

Independent Auditor's Report.....	A - 1
Management's Discussion and Analysis (Required Supplementary Information)	B - 1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	C - 1
Statement of Activities	C - 2
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	D - 1
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	D - 2
Statement of Revenues, Expenditures and Changes in Fund Balances	D - 3
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	D - 4
Proprietary Funds:	
Statement of Net Position	D - 5
Statement of Revenues, Expenses and Changes in Fund Net Position	D - 6
Statement of Cash Flows.....	D - 7
Fiduciary Funds:	
Statement of Fiduciary Net Position	D - 8
Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund.....	D - 9
Notes to the Basic Financial Statements:	
Note A: Summary of Significant Accounting Policies.....	E - 1
Note B: Cash and Investments	E - 8
Note C: Accounts Receivable and Allowance for Bad Debt.....	E-11
Note D: Loans Receivable	E-12
Note E: Capital Assets	E-14
Note F: Interfund Transactions and Balances	E-15
Note G: Long-Term Liabilities	E-16
Note H: Public Employees' Retirement System	E-18
Note I: Defined Contribution Plan	E-20
Note J: Other Post Employment Benefits.....	E-21
Note K: Risk Management.....	E-22

CITY OF EL CAJON
TABLE OF CONTENTS
(continued)

FINANCIAL SECTION (continued)

Notes to the Basic Financial Statements (continued):

Note L: Commitments and Contingencies	E-23
Note M: Joint Ventures	E-24
Note N: Significant Construction in Progress Projects	E-25

REQUIRED SUPPLEMENTARY INFORMATION

Major Governmental Funds	F- 1
Budgetary Comparison Schedules:	
General Fund	F- 2
Notes to the Required Supplementary Information	F- 5

SUPPLEMENTARY INFORMATION – Unaudited

General Fund:

Combined Balance Sheet	G- 1
Combined Statement of Revenues, Expenditures and Changes in Fund Balance	G- 2
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund - Emergency Medical Service	G- 3
General Fund - Recreation Special Programs	G- 4

Non-Major Governmental Funds:

Combined Balance Sheet	G- 5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances	G- 6

Non-Major Special Revenue Funds:

Combining Balance Sheet	H- 2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	H- 4
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Gas Tax	H- 6
Transit	H- 7
Federal/County Asset Forfeiture	H- 8
Local Public Safety	H- 9
Federal, State and Local Grants	H-10
Housing In Lieu Fees	H-11

Non-Major Debt Service Fund:

El Cajon Public Financing Authority:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	I- 2

Major Capital Projects Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Public Safety Facilities	J- 2

CITY OF EL CAJON
TABLE OF CONTENTS
(continued)

SUPPLEMENTARY INFORMATION (continued)

Non-Major Capital Projects Funds:	
Combining Balance Sheet	J - 4
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	J - 5
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Public Works	J - 6
Parks and Recreation Improvement Grants	J - 7
Park Impact Fees.....	J - 8
City Capital Improvement Program.....	J - 9
Transportation.....	J-10
Enterprise Fund:	
Wastewater:	
Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual.....	K - 2
Internal Service Funds:	
Combining Statement of Net Position	L - 2
Combining Statement of Revenues, Expenses and Changes in Net Position	L - 3
Combining Statement of Cash Flows.....	L - 4
Fiduciary Funds:	
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	M - 2
Combining Statement of Changes in Fiduciary Assets and Liabilities	M - 3

STATISTICAL SECTION – Unaudited

Financial Trends:	
Net Position by Component.....	N - 1
Changes in Net Position	N - 2
Fund Balance of Governmental Funds	N - 4
Changes in Fund Balance of Governmental Funds.....	N - 5
Revenue Capacity:	
Tax Revenues by Source, Governmental Funds.....	N - 6
Principal Sales Tax Producers.....	N - 7
Net Assessed Value and Estimated Actual Value of Taxable Property	N - 8
Direct and Overlapping Property Tax Rates	N - 9
Principal Property Tax Payers	N -10
Property Tax Levies and Collections	N -11
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	N-12
Ratios of Bonded Debt Outstanding and Legal Debt Margin	N-13
Pledged-Revenue Coverage	N-14
Direct and Overlapping Governmental Activities Debt.....	N-15
Demographic and Economic Information:	
Demographic and Economic Statistics	N-16
Principal Employers.....	N-17

CITY OF EL CAJON
TABLE OF CONTENTS
(continued)

STATISTICAL SECTION – Unaudited (continued)

Operating Information:

Full-time Equivalent City Government Employees by Function/Program	N-18
Operating Indicators by Function/Program	N-19
Capital Asset Statistics by Function/Program	N-20



CITY OF EL CAJON

www.cityofelcajon.us

CITY MANAGER

December 1, 2014

To the Honorable Mayor, Members of the City Council and Residents of the City of El Cajon:

The City of El Cajon annually publishes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial statements of the City of El Cajon ("the City") for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the City. Management, therefore, assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework over financial reporting that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The City's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Rogers, Anderson, Malody & Scott, LLP, a firm of certified public accountants, audited the City's financial statements with a goal to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the City's basic financial statements for the fiscal year ended June 30, 2014, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also report on the City's internal control over financial reporting and compliance with legal requirements involving the administration of federal awards. Although the independent auditor reports on internal control and compliance with legal matters, they do not express an opinion on them. These reports are contained in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated on November 12, 1912, is located in the southern part of the state, just 15 miles due east of San Diego and is the fifth largest of 18 cities in San Diego County. The City currently occupies a land area of 14.4 square miles and serves a population of 101,256. The City has experienced limited growth of approximately 5% over the past ten years.

By a vote of the people, the City became a charter city during fiscal year 2011-12, giving the city council more local control of municipal affairs. Policy-making and legislative authority are vested in the city council consisting of the mayor and four other council members. The city council is elected at large on a non-partisan basis. The mayor is elected to serve a four-year term and councilmembers serve four-year staggered terms. The city council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and city attorney. The City operates under the council-manager form of government. The city manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the City, and for appointing the directors of the various departments.

The City provides a full range of services, including police and fire protection, animal control, emergency medical services, construction and maintenance of streets, parks, civic facilities, and other infrastructure, right-of-way regulation, city planning and building regulation, recreational activities, cultural events, housing assistance and wastewater services. The City is financially accountable for the El Cajon Housing Authority and El Cajon Public Financing Authority, both of which are reported as blended component units within the City's financial statements. Additional information on these separate entities can be found in note A.2. in the notes to the basic financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the city manager in March of each year. The city manager uses these requests as the starting point for developing a proposed budget. The city manager then presents this proposed budget to the city council for review in June. The city council holds workshop meeting(s) and has a public hearing to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund (e.g., general fund), function (e.g., public safety), department (e.g., police) and activity (e.g., patrol). The City Manager may transfer appropriations between departments within a fund. However, transfers of appropriations between funds require approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue fund, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and the major special revenue fund, this comparison is presented in the supplementary section of the accompanying financial statements.

Local Economy

California's economy continues to improve based on a number of key indicators. As of September 2014, state unemployment rates have improved to 7.3%, which is down from 8.8% at the same point last year. El Cajon's unemployment rate is higher at 8.5% in August 2014. This is a significant improvement from the 14.8% peak in July 2010 due to significant job losses in the construction industry and the large influx of refugees. The UCLA Anderson Forecast expects job growth in California to exceed that of the nation.

Additionally, State Domestic Product was \$2.2 trillion in 2013, which is up 3.6% from the previous year. The Standard and Poor's / Case Schiller 20 – City Composite Home Price Index is up 13.4% from last year, and up 18.0% from last year for the greater San Diego area market. Movement in the University of San Diego Index of Leading Economic Indicators has been in a positive direction for nine of the last twelve months. While none of the index components have advanced significantly, most have experienced steady improvement. Long term projections all tend to suggest slow and steady growth for the next several years.

Sales Tax Revenues – Sales tax revenues for the City increased \$1.2 million from the prior fiscal year, a 3.5% increase. Growth in the economy has been encouraging.

Property Taxes – Property taxes collected in fiscal year 2013-14 increased \$1.1 million over the prior year, which represents a 5.3% increase. According to data from the County of San Diego Assessor's Office, the total assessed valuation of taxable property in El Cajon for fiscal year 2013-14 was \$7.3 billion, this represents 2.8% increase from the prior year. For fiscal year 2014-15, total assessed values grew to \$7.6 billion, an increase of 4.7% from fiscal year 2013-14.

Although the economy continues its slow but steady recovery, it is critical that the City position itself to maintain reserves and avoid cost increases that cannot be matched with equal revenues.

Long Term Financial Planning

The City utilizes many sources to evaluate and provide current and long range financial planning. These sources include the comprehensive annual financial report (CAFR), the annual budget, the five-year capital improvement plan, and the five-year business plan. In conjunction with the CAFR and the annual budget, the five-year capital improvement and business plans are reviewed and updated annually as a forerunner to preparing the annual budget.

As directed by City Council Policy B-12, the general fund maintains a committed fund balance equal to 20% of annual budget expenditures, \$11,415,896 at June 30, 2014. Additionally, the general fund had assigned fund balance of \$3,520,000 for unfunded retirement obligations. The \$12,987,788 unassigned fund balance at June 30, 2014, provides resources for future needs. Based on recent analysis and information received to date, general fund revenue and expenditure projections for fiscal year 2014-15 are conservatively estimated. The City must continue to operate in a fiscally conservative manner and prioritize capital outlay expenditures based upon available funding.

In November 2004, the voters approved Proposition O, a ten-year half-cent sales tax measure, dedicated to the construction of the public safety center (PSC), replacement of the animal shelter, and upgrading of various fire stations. The proceeds from the \$25,195,000 in revenue bonds issued by the El Cajon Public Financing Authority in June 2009 have been spent for the PSC construction contract. The PSC was placed into service on August 24, 2011. Planning and design of the animal shelter will begin in earnest now that the PSC has become operational. A total of \$8,447,073 was collected in fiscal year 2013-14 as a result of Proposition O.

In November 2008, the voters approved Proposition J, a twenty-year half-cent sales tax measure, intended to preserve essential City services and bridge the City's long-standing fiscal crisis needs. A total of \$8,409,914 was collected in fiscal year 2013-14 as a result of Proposition J and was vital in maintaining essential services.

Transportation related maintenance and capital projects were primarily funded by Gas Tax, TransNet, and the General Fund. A combined total of \$8,311,474 was utilized to reconstruct and resurface major thoroughfares and local residential streets, and to maintain or improve street lights and traffic signals. Projects are prioritized based upon need and available funding.

Major Fiscal Issues

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan for its employees. Each year an independent actuary, engaged by the pension plan, calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan. The unfunded actuarial liability associated with employee services rendered to date is being systematically funded over 30 years, as part of the annual required contribution calculated by the actuary. Employer retirement contribution rates for fiscal year 2013-14 were 28.476% for miscellaneous members and 39.066% for safety members. Employer rates are expected to increase to approximately 36.3% and 51.2% for miscellaneous and safety members, respectively, by fiscal year 2016-17, under current assumptions. CalPERS has been and expects to continue to revise a number of actuarial assumptions which, in conjunction with the significant investments losses during the Great Recession, are driving the employer rates higher. These rate increases are taken into consideration in the five-year business plan. Although the Public Employees' Pension Reform Act (PEPRA) established new retirement benefit levels and limits for "new members" effective January 1, 2013, it will be many years before PEPRA impacts the employer contribution rate.

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*, the City obtains a biennial actuarial valuation of its liability for other post employment benefits (OPEB). In 2007, the City began making contributions to the California Employee Retiree Benefit Trust (CERBT) fund to transition to pre-funding the OPEB obligation rather than continue the practice of pay-as-you-go. In fiscal year 2011-12, the City adopted a fifteen-year closed amortization period to accelerate the increase in the funded percentage of the OPEB liability.

The El Cajon Redevelopment Agency was dissolved effective February 1, 2012. Its housing related assets and obligations were transferred to the El Cajon Housing Authority, and its non-housing related assets and obligations were transferred to the Successor Agency to the Former El Cajon Redevelopment Agency. The Successor Agency is charged with fulfilling the former Redevelopment Agency's enforceable obligations and winding down its affairs as expeditiously as possible. The Successor Agency receives twice yearly distributions from the Redevelopment Property Tax Trust Fund (RPTTF) administered by the county auditor-controller for recognized enforceable obligations. Any remaining monies in the RPTTF after each distribution is allocated and paid to the affected taxing entities, of which the City of El Cajon is one. This amount is significantly less than the property tax increment revenues, which were previously received by the Redevelopment Agency. Economic development activities and funding for low-moderate housing programs will be significantly hampered by the loss of the property tax increment revenues.

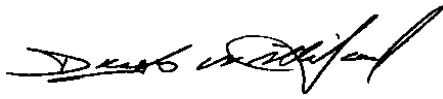
Awards and Acknowledgements

In previous years, the City applied for and was awarded the *Certificate of Achievement for Excellence* in Financial Reporting by the Government Finance Officers Association (GFOA). The City received this award for five consecutive years between fiscal years 2001 and 2006. The City has also applied for and been awarded the certificate for *Outstanding Financial Reporting* from the California Society of Municipal Finance Officers (CSMFO). Due to a change in the CSMFO award program criteria, the City was no longer eligible to apply for and receive both the *Certificate of Achievement for Excellence* from GFOA and the certificate for *Outstanding Financial Reporting* from CSMFO in a single year. Beginning fiscal year ended 2007, the City has applied for, and been awarded the CSMFO certificate, although we feel that this CAFR would also meet the criteria for the GFOA award.

The City is also a CSMFO recipient of the *Excellence in Operating Budgeting*, having received this award every year beginning in fiscal year 1996-97.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the professional, efficient and dedicated service of the Finance Department staff and the assistance of the City's auditors, Rogers, Anderson, Malody & Scott, LLP. In particular, we would like to express our appreciation to members of the Finance Department that prepared this report. We would also like to thank the Mayor and members of the City Council for their support and commitment to fiscal integrity and financial leadership.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Williford", with a stylized, flowing script.

Douglas Williford
City Manager

A handwritten signature in black ink, appearing to read "Clay Schoen", with a stylized, flowing script.

Clay Schoen
Director of Finance

California Society of Municipal Finance Officers

Certificate of Award

*Outstanding Financial Reporting Award
Fiscal Year Ending June 30, 2013*

Presented to the

City of El Cajon

For meeting the criteria established to achieve the Outstanding Financial Reporting Award

February 13, 2014



Pauline Marx

Pauline Marx
CSMFO President

Ken Brown

Ken Brown, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

**CITY OF EL CAJON
LIST OF PRINCIPAL OFFICIALS
At Date of Issuance**

Elected Officials

Mayor

Bill Wells

Councilmembers

Tony Ambrose

Star Bales

Gary Kendrick

W. E. "Bob" McClellan

Appointed Officials

City Manager

Douglas Williford

City Attorney

Morgan Foley

Management Team

Majed Al-Ghafry – Assistant City Manager

Belinda Hawley – City Clerk

Jim Redman – Police Chief

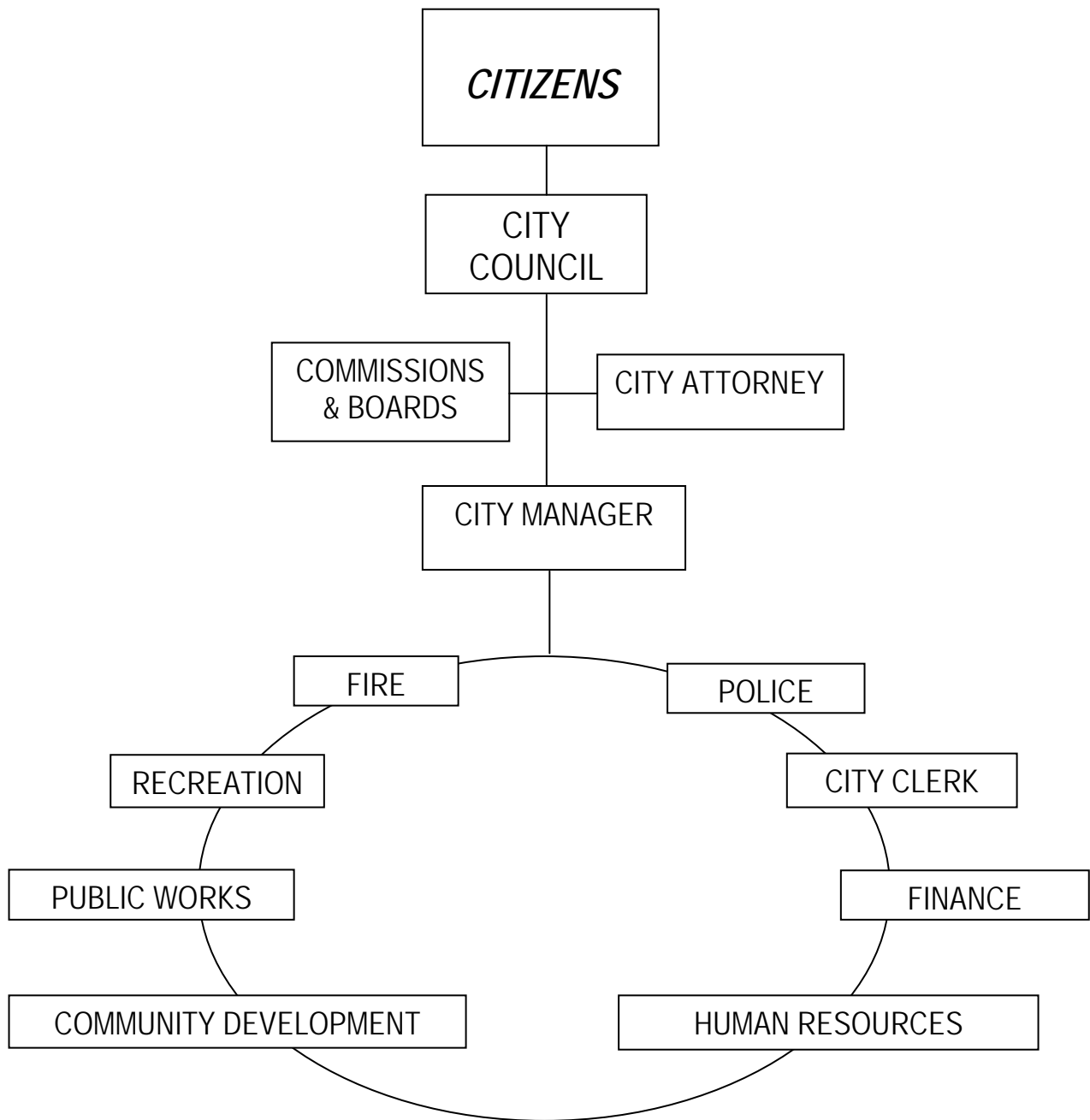
Rick Sitta – Fire Chief

Jim Lynch – Director of Human Resources

Sara Ramirez – Director of Recreation

Clay Schoen – Director of Finance

CITY OF EL CAJON
ORGANIZATION CHART





ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

PARTNERS
Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF
Bradford A. Welebir, CPA, MBA
Jenny Liu, CPA, MST
Papa Matar Thiaw, CPA, MBA
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Yiann Fang, CPA
Nathan Statham, CPA, MBA
Brigitta Bartha, CPA
Gardenya Duran, CPA
Juan Romero, CPA
Ivan Gonzales, CPA, MSA
Brianna Pascoe, CPA

The Honorable City Council
City of El Cajon, California

Report on the financial statements

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cajon (the City), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

MEMBERS
American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Cajon, California, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter

Implementation of new pronouncement

As discussed in Note A of the financial statements, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers Anderson Malouly & Scott, LLP

San Bernardino, CA
December 1, 2014



View of El Cajon Valley from Mt. Helix

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

As management of the City of El Cajon, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets of the City exceed its liabilities at June 30, 2014, by \$355.4 million (net position). Of this amount, \$37.4 million (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.
- The City's total assets increased \$15.5 million during the fiscal year. The majority of the increase is related to land (\$6.9 million) and land improvements (\$4.5 million).
- The City's liabilities decreased \$9.6 million from the prior year. This decrease largely due to a \$7.1 million principal payment on the 2009 revenue bonds.
- At June 30, 2014, the City's governmental funds reported combined fund balances of \$89.1 million, a \$4.3 million increase from the prior year. The cash and investments balance at June 30, 2014, is \$5.4 million higher than the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of El Cajon's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains certain required supplementary information, and optional supplementary information that presents combining statements for non-major governmental funds (special revenue, debt service and capital projects), enterprise funds, internal service funds, and fiduciary funds.

Government-wide financial statements. The *government-wide financial statements* (statement of net position and statement of activities) provide a broad overview of the City's finances, in a manner similar to private-sector businesses. The government-wide financial statements can be found in section C of this report.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety consisting of police and fire, public works, parks and recreation, community development and capital projects. The business-type activity of the City includes wastewater operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the El Cajon Public Financing Authority and the El Cajon Housing Authority, separate entities for which the City is financially accountable.

The relationships between the government-wide financial statements and the fund financial statements are summarized in the diagram that follows.

		GOVERNMENT-WIDE FINANCIAL STATEMENTS				This information is not presented in the Government-wide Financial Statements because it is not a required component.
		Statement of Net Position		Statement of Activities		
		Governmental Activities column	Business-type Activities column	Governmental Activities column	Business-type Activities column	
FUND FINANCIAL STATEMENTS	Governmental Funds	Balance Sheet	n/a	Statement of Revenues, Expenditures, and Changes in Fund Balance	n/a	n/a
	Proprietary Funds	Internal Service Funds	Enterprise Funds	Internal Service Funds	Enterprise Funds	
		Statement of Net Position	Statement of Net Position	Statement of Revenues, Expenses, and Changes in Fund Net Position	Statement of Revenues, Expenses, and Changes in Fund Net Position	Statement of Cash Flows
	Fiduciary Funds	n/a	n/a	n/a	n/a	Statement of Fiduciary Net Position

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

The focus of the governmental funds is narrower than that of the government-wide financial statements; therefore, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, El Cajon Housing Authority Special Revenue Fund, and Public Safety Facilities Capital Projects Fund, all of which are considered to be major funds. These statements can be found in section D. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining* statements located in sections H, I, and J of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget in section F of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise* funds are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses an enterprise fund to account for its Wastewater activities. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Vehicle Maintenance, Vehicle and Equipment Replacement, Self-insurance, Information Technology Replacement, and Other Post-Employment Benefits. These services predominantly benefit governmental rather than business-type functions, so they have been included with *governmental activities* in the government-wide financial statements. The proprietary fund financial statements can be found in sections D and K of this report. Individual fund data for each of the internal service funds is provided in the form of combining statements on section L.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting for these funds is much like that used for proprietary funds. The fiduciary fund financial statements can be found in sections D and M.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in section E of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees, and the General Fund's budgetary comparison schedule. Required supplementary information can be found in section F.

The combining statements are presented as other supplementary information. Combining and individual fund statements and schedules can be found in sections G through M.

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At June 30, 2014, assets exceeded liabilities by \$355.3 million, an increase of \$19.3 million over the prior year.

City of El Cajon
Statement of Net Position
Comparative Data as of June 30, 2014 and 2013

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current & other assets	\$ 111,765,657	\$ 103,730,915	\$ 17,995,533	\$ 18,985,680	\$ 129,761,190	\$ 122,716,595
Capital assets, net	225,603,446	216,379,406	46,121,178	46,931,560	271,724,624	263,310,966
Total assets	337,369,103	320,110,321	64,116,711	65,917,240	401,485,814	386,027,561
LIABILITIES						
Long-term liabilities	14,299,164	21,922,081	10,124,121	10,101,256	24,423,285	32,023,337
Other liabilities	14,907,559	14,284,623	990,332	698,938	15,897,891	14,983,561
Total liabilities	29,206,723	36,206,704	11,114,453	10,800,194	40,321,176	47,006,898
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows	5,715,595	3,066,127	-	-	5,715,595	3,066,127
Total deferred inflows	5,715,595	3,066,127	-	-	5,715,595	3,066,127
NET POSITION						
Net investment in capital assets	210,077,278	193,537,908	46,121,178	37,072,743	256,198,456	230,610,651
Restricted	61,853,603	59,087,555	-	-	61,853,603	59,087,555
Unrestricted	30,515,904	28,212,027	6,881,080	18,044,303	37,396,984	46,256,330
Total net position	\$ 302,446,785	\$ 280,837,490	\$ 53,002,258	\$ 55,117,046	\$ 355,449,043	\$ 335,954,536

The largest portion of the City's total net position (\$256.2 million or 72.1%) reflects the investment in capital assets such as land, buildings, machinery and equipment, less any outstanding debt used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (\$61.9 million or 17.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$37.4 million or 10.5%) can be used for ongoing operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

Governmental activities. Net position increased by \$21.6 million during the fiscal year as a result of the City's governmental activities.

City of El Cajon
Statement of Activities
Comparative Data as of June 30, 2014 and 2013

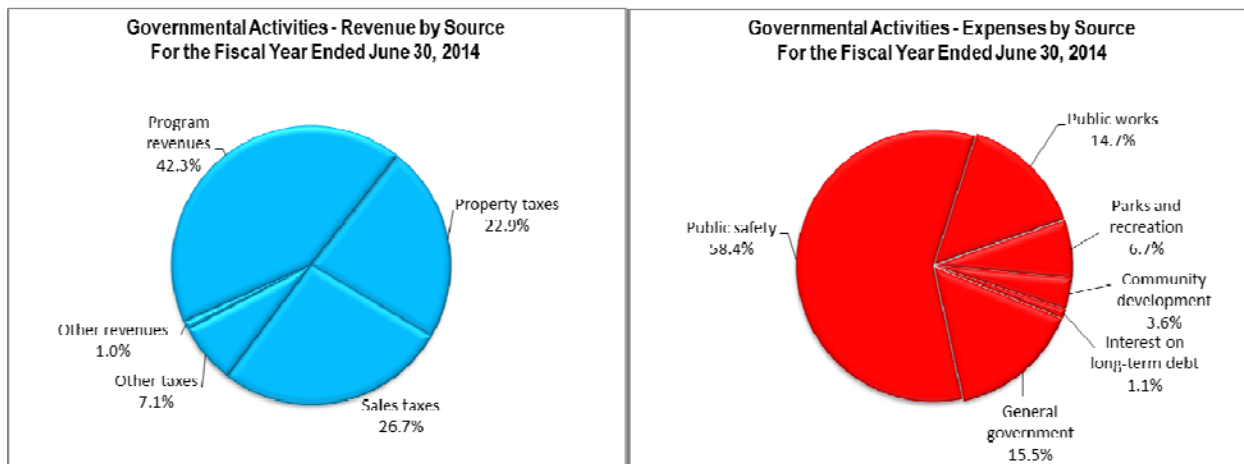
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program revenues:						
Charges for services	\$ 10,128,158	\$ 10,423,271	\$ 15,363,078	\$ 15,369,359	\$ 25,491,236	\$ 25,792,630
Operating grants & contributions	6,717,307	6,811,610	-	-	6,717,307	6,811,610
Capital grants & contributions	23,453,340	16,162,285	-	-	23,453,340	16,162,285
General revenues:						
Property taxes	21,692,259	20,468,597	-	-	21,692,259	20,468,597
Sales taxes	25,367,434	24,328,310	-	-	25,367,434	24,328,310
Other taxes	6,696,735	6,593,424	-	-	6,696,735	6,593,424
Intergovernmental	87,385	51,550	-	-	87,385	51,550
Interest earnings	39,032	179,961	42,103	24,511	81,135	204,472
Other	801,775	1,352,057	4,014	15,015	805,789	1,367,072
Special item – net loss	-	(597,018)	-	(2,225)	-	(599,243)
Extraordinary gain	-	-	-	-	-	-
Total revenues	94,983,425	85,774,047	15,409,195	15,406,660	110,392,620	101,180,707
EXPENSES						
General government	11,388,403	9,148,684	-	-	11,388,403	9,148,684
Public safety	42,919,265	40,578,344	-	-	42,919,265	40,378,344
Public works	10,796,564	12,281,575	-	-	10,796,564	12,281,575
Parks & recreation	4,958,144	4,622,822	-	-	4,958,144	4,622,822
Community development	2,665,013	4,669,220	-	-	2,665,013	4,669,220
Interest on long-term debt	792,604	987,165	-	-	792,604	987,165
Wastewater	-	-	17,378,120	17,710,456	17,378,120	17,710,456
Total expenses	73,519,993	72,287,810	17,378,120	17,710,456	90,898,113	89,998,266
Increase (decrease) in net position						
before transfers	21,463,432	13,386,237	(1,968,925)	(2,303,796)	19,494,507	11,182,441
Transfers	145,863	69,751	(145,863)	(69,751)	-	-
Change in net position	21,609,295	13,555,988	(2,114,788)	(2,373,547)	19,494,507	11,182,441
Net position, beginning	280,837,490	267,281,502	55,117,046	57,490,593	335,954,536	324,772,095
Net position, ending	\$ 302,446,785	\$ 280,837,490	\$ 53,002,258	\$ 55,117,046	\$ 355,449,043	\$ 335,954,536

Key elements of this increase are as follows:

- Capital grants & contributions increased by \$7.3 million from the prior fiscal year. This is primarily due to the transfer of assets to the City from the Successor Agency to the Former El Cajon Redevelopment Agency.
- Property taxes, one the City's largest revenue sources, increased \$1.2 million from the prior year. This growth is largely due to increases in sales tax in lieu of property tax disbursements.

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

- Sales taxes, another of the City's largest revenue sources, increased by \$1.0 million from the prior year, primarily as a result of the improvement in the economy.
- Public safety expenses increased from last year by \$2.5 million due to the return of State Mandated Disallowed Costs and increased personnel costs.
- General government expenses increased \$2.2 million from the prior year. This increase is largely attributable to payments to the State of California related to properties transferred to the City from the Successor Agency to the Former El Cajon Redevelopment Agency.
- Community Development expenses decreased \$2.0 million from the previous year because of lower Housing Authority activity.
- Public Works expenses decreased from the prior year by \$1.5 million due to lower capital outlay expenses.



Business-type activities. The City's business-type activities consist solely of the wastewater enterprise fund, which reported a net position of \$53.0 million at June 30, 2014, a decline of \$2.1 million from the prior fiscal year. Expenses exceed revenues primarily due to lower than anticipated water consumption on which wastewater rates are applied. Additionally, estimated bad debt expense has been higher than historical experience due to difficulties with new billing software. The largest portion of the wastewater net position (\$46.1 million or 87.0%) reflects the investment in capital assets used to deliver wastewater services. The remaining balance of unrestricted net position (\$6.9 million or 13.0%) can be used for ongoing operations without constraints established by enabling legislation or other legal requirements.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements.

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

At June 30, 2014, the City's governmental funds reported combined fund balances of \$89.1 million, an increase of \$4.3 million. Approximately 14.5% of this amount (\$12.9 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spending form (\$5,733), 2) restricted for particular purposes (\$31.5 million), 3) committed for particular purposes (\$11.4 million), and 4) assigned for particular purposes (\$33.2 million).

General Fund. This is the City's chief operating fund. As of June 30, 2014 unassigned fund balance of the General Fund was \$13.0 million, while the total fund balance was \$27.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 20.7% of total General Fund expenditures for the year.

El Cajon Housing Authority Special Revenue Fund. This fund accounts for the housing enforceable obligations of the former El Cajon Redevelopment Agency for the purpose of developing low to moderate income housing. As of June 30, 2014, the Housing Authority had assets of \$14.3 million, 86.3% of which were loans receivable.

Public Safety Facilities Capital Projects Fund. This fund accounts for activities associated with the construction or upgrade to police, fire, and animal control facilities. As of June 30, 2014, the ending fund balance was \$19.8 million, an increase of \$861,384 from the prior fiscal year. Revenues increased 6.3%, as the economy continued to improve, while expenditures decreased 95.4%, as the Public Safety Center is complete and other construction/renovation projects have not yet begun.

Non-Major Governmental Funds. These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The total ending fund balances for these funds was approximately \$28.0 million at June 30, 2014. Comparing this amount to the prior year, non-major governmental fund balance increased \$2.0 million due to an increase in Capital Project funds.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Wastewater Enterprise Fund. This fund is used to account for activities where fees are charged to external users for wastewater services. Revenue and expense balances remain largely unchanged from the prior year with expenses exceeding revenues, as a result net position decreased by \$2.1 million during the fiscal year to \$53.0 million.

Internal Service Funds. These funds are used to account for the financing of goods or services provided by one fund/department to another fund/department on a cost-reimbursement basis. Additionally, two internal service funds are used to accumulate resources for the replacement of vehicles, equipment and information technology. The internal service funds net position at June 30, 2014, was \$12.2 million.

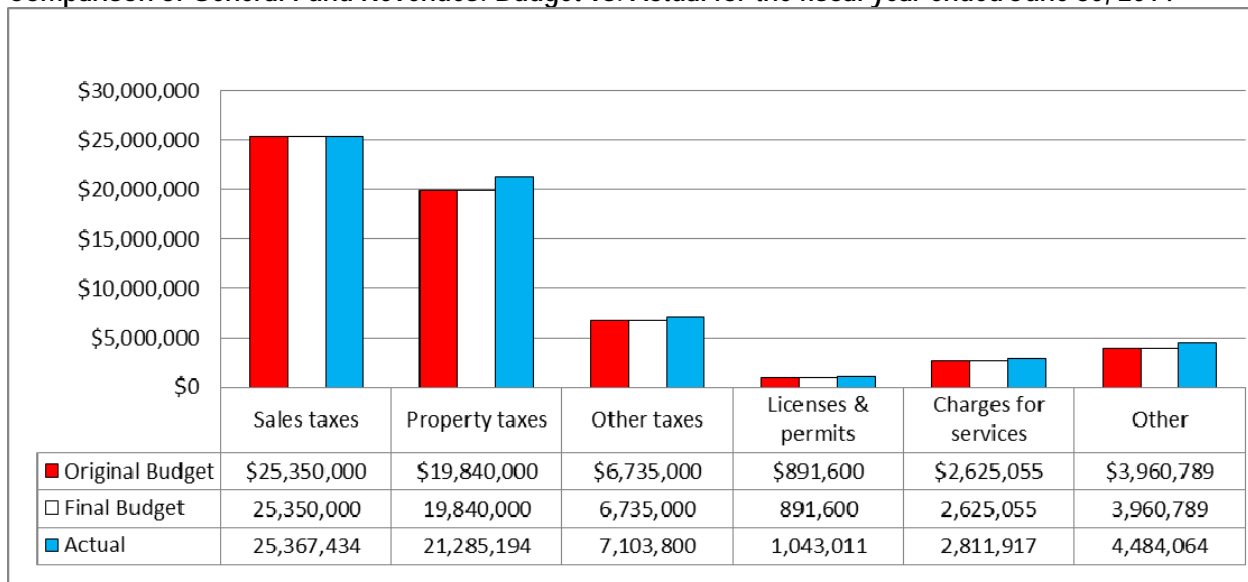
CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget anticipated General Fund revenues of \$59.4 million, expenditures of \$60.1 million, and other financing uses (transfers out) of \$3.1 million. The following graphs depict the original budget, final budget, and actual results for General Fund revenues and expenditures.

Actual revenues performed better than budgetary expectations by approximately \$2.7 million. Property taxes exceeded expectations, accounting for \$1.4 million of the above improved performance. Most other revenues appeared to have improved from the general improvement in the economy.

Comparison of General Fund Revenues: Budget vs. Actual for the fiscal year ended June 30, 2014

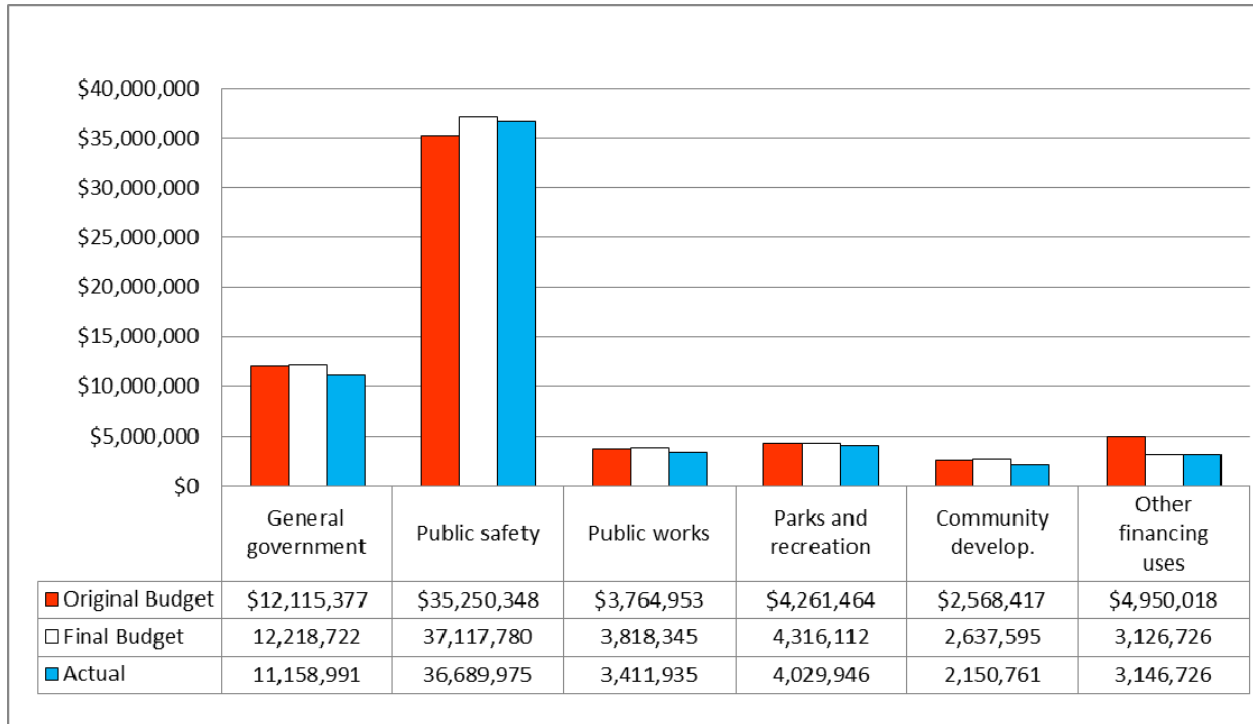


Actual expenditures were less than budget expectations by \$2.7 million. General government actuals were \$1.1 million less than expected, while public safety, public works, and parks and recreation each expended below budgeted amounts.

The Budgetary Comparison Schedule showing more details of the General Fund original and final budgets can be found in the Required Supplementary Information section of this report.

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

Comparison of General Fund Expenditures: Budget vs. Actual for the fiscal year ended June 30, 2014



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets as of June 30, 2014, totaled over \$271.7 million, an increase of \$8.4 million from the prior year. Additional information on the City's capital assets can be found in the notes to the financial statements.

City of El Cajon
Capital Assets (net of depreciation)
Comparative Data as of June 30, 2014 and 2013

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 22,456,166	\$ 15,560,403	\$ 82,300	\$ 82,300	\$ 22,538,466	\$ 15,642,703
Rights of way	31,190,652	31,190,652	-	-	31,190,652	31,190,652
Construction in Progress	2,803,315	1,949,916	1,346,881	771,304	4,150,196	2,721,220
Land improvements	5,723,230	1,267,925	-	-	5,723,230	1,267,925
Buildings & improvements	68,163,380	70,338,401	187,804	195,027	68,351,184	70,533,428
Machinery & equipment	7,078,480	7,608,824	863,725	1,076,346	7,942,205	8,685,170
Interest in Mission Gorge Mains	-	-	8,278,987	8,462,965	8,278,987	8,462,965
Infrastructure	88,188,223	88,463,285	35,361,481	36,343,618	123,549,704	124,806,903
Total	\$ 225,603,446	\$ 216,379,406	\$ 46,121,178	\$ 46,931,560	\$ 271,724,624	\$ 263,310,966

CITY OF EL CAJON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended June 30, 2014

Long-term debt. The City's long-term debt decreased \$7.3 million this fiscal year to \$34.1 million. The majority of the decrease is due to principal payments on the 2009 revenue bonds.

City of El Cajon
Long-Term Debt
Comparative Data as of June 30, 2014 and 2013

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Compensated absences	\$ 6,346,284	\$ 6,376,400	\$ 353,738	\$ 323,252	\$ 6,700,022	\$ 6,699,652
Claims payable	1,885,283	1,885,283	-	-	1,885,283	1,885,283
Revenue bonds (including premium)	15,317,498	22,575,828	-	-	15,317,498	22,575,828
Notes payable	337,000	394,000	-	-	337,000	394,000
Obligation due to SD Metro WW	-	-	9,858,817	9,858,817	9,858,817	9,858,817
Total	\$ 23,886,065	\$ 31,231,511	\$ 10,212,555	\$ 10,182,069	\$ 34,098,620	\$ 41,413,580

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following factors were considered when preparing the City's General Fund budget for fiscal year 2014-15:

- The majority of sources of economic data report decreases in unemployment, growing Gross Domestic Product, improving real-estate markets, increasing taxable sales, and moderate inflation all signaling an improving economy marked by slow and steady growth.
- The fiscal year 2014-15 General Fund budget expected revenues to increase a modest 2.8% over the prior year final budget. This is also a 0.6% increase over the estimated actual revenues for fiscal year 2013-14.
- The General Fund expenditure budget for fiscal year 2014-15 reflects a 1.7% decrease from the previous year's 2013-14 budget, and a \$5.3 million increase from 2013-14 estimated actual expenditures.

REQUESTS FOR INFORMATION

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report or need additional financial information, contact the City of El Cajon Finance Department, 200 Civic Center Way, El Cajon, CA 92020, (619) 441-1668 or visit the City's web site at www.cityofelcajon.us.

CITY OF EL CAJON
Statement of Net Position
June 30, 2014
(With Prior Year Data for Comparison Purposes Only)

	Governmental	Business-type	Totals	
	Activities	Activities	2014	2013
Assets:				
Cash and investments (note B)	\$ 75,506,517	\$ 9,319,295	\$ 84,825,812	\$ 81,372,700
Cash and investments with fiscal agent (note B)	2,657,195	-	2,657,195	2,642,418
Receivables:				
Accounts, net of allowance for bad debt (note C)	783,496	8,660,510	9,444,006	8,113,471
Interest	102,202	14,254	116,456	113,671
Intergovernmental	2,152,315	-	2,152,315	1,564,971
Loans (note D)	26,166,223	-	26,166,223	24,533,677
Taxes	3,477,356	1,474	3,478,830	3,376,072
Prepaid items	920,353	-	920,353	999,615
Capital assets, not being depreciated (note E):				
Land	22,456,166	82,300	22,538,466	15,642,703
Rights of way	31,190,652	-	31,190,652	31,190,652
Construction in progress	2,803,315	1,346,881	4,150,196	2,721,220
Capital assets, being depreciated, net (note E):				
Land improvements	5,723,230	-	5,723,230	1,267,925
Buildings and improvements	68,163,380	187,804	68,351,184	70,533,428
Machinery and equipment	2,896,828	22,641	2,919,469	3,196,078
Vehicles	4,181,652	841,084	5,022,736	5,489,092
Interest in Mission Gorge Mains	-	8,278,987	8,278,987	8,462,965
Infrastructure	88,188,223	35,361,481	123,549,704	124,806,903
Total assets	<u>\$ 337,369,103</u>	<u>\$ 64,116,711</u>	<u>\$ 401,485,814</u>	<u>\$ 386,027,561</u>
Liabilities:				
Accounts payable	\$ 3,393,569	\$ 345,726	\$ 3,739,295	\$ 2,212,903
Accrued interest payable	262,712	-	262,712	384,400
Accrued liabilities	1,212,504	405,486	1,617,990	1,926,797
Deposits payable	335,079	150,686	485,765	570,718
Unearned revenue	116,794	-	116,794	498,500
Long-term liabilities (note G):				
Due within one year	9,586,901	88,434	9,675,335	9,390,243
Due in more than one year	14,299,164	10,124,121	24,423,285	32,023,337
Total liabilities	<u>29,206,723</u>	<u>11,114,453</u>	<u>40,321,176</u>	<u>47,006,898</u>
Deferred inflows of resources:				
Deferred inflows (note A)	5,715,595	-	5,715,595	3,066,127
Total deferred inflows of resources	<u>5,715,595</u>	<u>-</u>	<u>5,715,595</u>	<u>3,066,127</u>
Net position:				
Net investment in capital assets	210,077,278	46,121,178	256,198,456	230,610,651
Restricted for:				
Public safety facility project fund	19,818,764	-	19,818,764	18,957,380
Public safety	2,015,158	-	2,015,158	1,928,571
Public works	13,116,049	-	13,116,049	11,281,585
Parks and recreation	436,162	-	436,162	431,060
Community development	23,810,275	-	23,810,275	23,846,541
Debt service	2,657,195	-	2,657,195	2,642,418
Unrestricted	30,515,904	6,881,080	37,396,984	46,256,330
Total net position	<u>\$ 302,446,785</u>	<u>\$ 53,002,258</u>	<u>\$ 355,449,043</u>	<u>\$ 335,954,536</u>

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON
Statement of Activities
For the fiscal year ended June 30, 2014
(With Prior Year Data For Comparison Purposes Only)

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Community development	\$ 2,665,013	\$ 332,193	\$ 990,958
General government	11,388,403	2,416,175	44,021
Parks and recreation	4,958,144	1,153,051	649,027
Public safety	42,919,265	4,956,285	1,750,490
Public works	10,796,564	1,270,454	3,282,811
Interest on long-term debt	792,604	-	-
Total government activities	73,519,993	10,128,158	6,717,307
Business-type activities:			
Wastewater	17,378,120	15,363,078	-
Total business-type activities	17,378,120	15,363,078	-
Total	\$ 90,898,113	\$ 25,491,236	\$ 6,717,307
General revenues:			
Taxes			
Property taxes			
Sales taxes			
Franchise taxes			
Transient lodging taxes			
Business license taxes			
Intergovernmental (unrestricted)			
Investment earnings			
Other			
Special item - net loss on sale of properties			
Transfers			
		Total general revenues and transfers	
		Change in net position	
		Net position, beginning	
		Net position, ending	

The accompanying notes are an integral part of these financial statements.

Program Revenues Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			
	Governmental Activities	Business-type Activities	Totals	
			2014	2013
\$ 11,397,269	\$ 10,055,407	\$ -	\$ 10,055,407	\$ 3,996,853
-	(8,928,207)	-	(8,928,207)	(6,883,448)
9,868	(3,146,198)	-	(3,146,198)	(3,916,742)
8,919,508	(27,292,982)	-	(27,292,982)	(26,248,708)
3,126,695	(3,116,604)	-	(3,116,604)	(4,851,434)
-	(792,604)	-	(792,604)	(987,165)
23,453,340	(33,221,188)	-	(33,221,188)	(38,890,644)
-	-	(2,015,042)	(2,015,042)	(2,341,097)
-	-	(2,015,042)	(2,015,042)	(2,341,097)
<u>\$ 23,453,340</u>	<u>(33,221,188)</u>	<u>(2,015,042)</u>	<u>(35,236,230)</u>	<u>(41,231,741)</u>
	21,692,259	-	21,692,259	20,468,597
	25,367,434	-	25,367,434	24,328,310
	4,791,459	-	4,791,459	4,767,474
	1,138,761	-	1,138,761	1,057,224
	766,515	-	766,515	768,726
	87,385	-	87,385	51,550
	39,032	42,103	81,135	204,472
	801,775	4,014	805,789	1,367,072
	-	-	-	(599,243)
	145,863	(145,863)	-	-
	54,830,483	(99,746)	54,730,737	52,414,182
	21,609,295	(2,114,788)	19,494,507	11,182,441
	280,837,490	55,117,046	335,954,536	324,772,095
	<u>\$ 302,446,785</u>	<u>\$ 53,002,258</u>	<u>\$ 355,449,043</u>	<u>\$ 335,954,536</u>

The accompanying notes are an integral part of these financial statements.



East Main Street, Downtown El Cajon

CITY OF EL CAJON

Balance Sheet Governmental Funds June 30, 2014

		Special Revenue	Capital Projects		
	General	Housing Authority	Public Safety Facilities Project	Non-Major	Total Governmental Funds
Assets:					
Cash and investments (note B)	\$ 27,751,802	\$ 1,956,011	\$ 19,209,955	\$ 15,633,817	\$ 64,551,585
Cash and investments with fiscal agent	-	-	-	2,657,195	2,657,195
Receivables:					
Accounts (note C)	724,728	-	-	48,403	773,131
Interest	70,479	2,794	25,931	2,998	102,202
Intergovernmental	236,258	-	-	1,916,057	2,152,315
Loans (note D)	4,021,800	12,352,482	-	9,774,253	26,148,535
Taxes	2,855,880	-	591,300	30,176	3,477,356
Prepaid items	2,616	1,039	-	2,078	5,733
Due from other funds	304,411	-	-	-	304,411
Total assets	<u>\$ 35,967,974</u>	<u>\$ 14,312,326</u>	<u>\$ 19,827,186</u>	<u>\$ 30,064,977</u>	<u>\$ 100,172,463</u>
Liabilities:					
Accounts payable	\$ 2,398,389	\$ 21,467	\$ 8,158	\$ 754,974	\$ 3,182,988
Accrued liabilities	1,169,612	-	264	21,910	1,191,786
Deposits payable	335,079	-	-	-	335,079
Due to other funds	-	-	-	304,411	304,411
Unearned revenue	116,794	-	-	-	116,794
Total liabilities	<u>4,019,874</u>	<u>21,467</u>	<u>8,422</u>	<u>1,081,295</u>	<u>5,131,058</u>
Deferred inflows of resources:					
Deferred inflows (note A)	4,021,800	939,873	-	941,626	5,903,299
Total deferred inflows of resources	<u>4,021,800</u>	<u>939,873</u>	<u>-</u>	<u>941,626</u>	<u>5,903,299</u>
Fund balance:					
Nonspendable					
Prepaid items	2,616	1,039	-	2,078	5,733
Restricted					
Animal shelter operations	-	-	-	39,527	39,527
Animal shelter project	-	-	-	244,497	244,497
Community development	-	997,465	-	686,017	1,683,482
Debt service	-	-	-	2,657,195	2,657,195
Loans receivable (note D)	-	12,352,482	-	9,774,253	22,126,735
Public safety	-	-	-	1,476,628	1,476,628
Public works project	-	-	-	306,491	306,491
RTCIP impact fee	-	-	-	189,280	189,280
Transportation projects	-	-	-	2,797,927	2,797,927
Committed	11,415,896	-	-	-	11,415,896
Assigned					
Capital projects	-	-	19,818,764	9,910,553	29,729,317
Unfunded retirement obligations	3,520,000	-	-	-	3,520,000
Unassigned	12,987,788	-	-	(42,390)	12,945,398
Total fund balance	<u>27,926,300</u>	<u>13,350,986</u>	<u>19,818,764</u>	<u>28,042,056</u>	<u>89,138,106</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 35,967,974</u>	<u>\$ 14,312,326</u>	<u>\$ 19,827,186</u>	<u>\$ 30,064,977</u>	<u>\$ 100,172,463</u>

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Governmental Funds
June 30, 2014

Fund balances of governmental funds (page D-1)	\$	89,138,106
--	----	------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets		341,688,577
Accumulated depreciation		(119,533,208)

Prepaid expense (net OPEB asset) that are expended in governmental funds when paid and are recorded as an asset for the purposes of the statement of net position.

914,620

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Bonds payable		(15,125,000)
Notes payable		(337,000)
Compensated absences		(6,216,199)

Bond premium that was expended in governmental funds when paid and is capitalized and amortized over the life of the corresponding bond for the purposes of the statement of net position.

(192,498)

Accrued interest receivable for the current portion of interest due on loans receivable that has not been reported in the governmental funds.

17,688

Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds.

(262,712)

Deferred inflows for the current portion of interest due on loans receivable that is recognized as income in the governmental funds.

187,704

Internal service funds are used by management to charge costs to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:

Capital assets		10,830,210
Accumulated depreciation		(7,382,133)
Compensated absences		(130,085)
Claims payable		(1,885,283)
Other assets and liabilities		10,733,998

Net position of governmental activities (page C-1)	\$	302,446,785
--	----	-------------

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2014

		Special Revenue	Capital Projects		
	General	Housing Authority	Public Safety Facilities Project	Non-Major	Total Governmental Funds
Revenues:					
Charges for services	\$ 6,165,821	\$ -	\$ -	\$ -	\$ 6,165,821
Intergovernmental	1,200,445	-	-	6,152,917	7,353,362
Investment earnings	39,033	49,315	56,324	31,281	175,953
Licenses and permits	1,043,011	-	-	-	1,043,011
Other	3,733,061	174,794	401,334	623,571	4,932,760
Taxes	54,141,591	-	8,447,073	2,022,716	64,611,380
Total revenues	<u>66,322,962</u>	<u>224,109</u>	<u>8,904,731</u>	<u>8,830,485</u>	<u>84,282,287</u>
Expenditures:					
Current					
Community development	2,150,761	237,328	-	582,105	2,970,194
General government	11,158,991	-	-	-	11,158,991
Parks and recreation	4,575,258	-	-	59,678	4,634,936
Public safety	41,324,552	-	-	434,322	41,758,874
Public works	3,411,935	-	-	1,784,482	5,196,417
Capital outlay	-	-	140,747	6,303,175	6,443,922
Debt service					
Interest	-	-	-	792,604	792,604
Principal	-	-	-	7,187,000	7,187,000
Total expenditures	<u>62,621,497</u>	<u>237,328</u>	<u>140,747</u>	<u>17,143,366</u>	<u>80,142,938</u>
Excess (deficiency) of revenues over (under) expenditures	3,701,465	(13,219)	8,763,984	(8,312,881)	4,139,349
Other financing sources (uses):					
Transfers in	1,020,488	-	-	15,080,882	16,101,370
Transfers out	<u>(3,329,707)</u>	<u>-</u>	<u>(7,902,600)</u>	<u>(4,735,278)</u>	<u>(15,967,585)</u>
Total other financing sources (uses)	<u>(2,309,219)</u>	<u>-</u>	<u>(7,902,600)</u>	<u>10,345,604</u>	<u>133,785</u>
Net change in fund balances	1,392,246	(13,219)	861,384	2,032,723	4,273,134
Fund balances, beginning	<u>26,534,054</u>	<u>13,364,205</u>	<u>18,957,380</u>	<u>26,009,333</u>	<u>84,864,972</u>
Fund balances, ending	<u>\$ 27,926,300</u>	<u>\$ 13,350,986</u>	<u>\$ 19,818,764</u>	<u>\$ 28,042,056</u>	<u>\$ 89,138,106</u>

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Governmental Funds

For the fiscal year ended June 30, 2014

Net changes in fund balances - total governmental funds (page D-3)	\$ 4,273,134
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays excluding the internal service funds exceeded depreciation in the current period.	
Capital outlay	17,187,431
Depreciation expense	(7,761,314)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(78,445)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Revenue bond	7,130,000
Revenue bond issuance premium	128,330
Note payable	57,000
The statement of net position includes accrued interest payable on long term debt.	121,688
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	31,032
The statement of net position includes the current portion of interest from loans receivable.	165,262
Internal service funds are not governmental funds. However, they are used by management to charge the net costs of certain activities such as insurance, vehicle maintenance and replacement, information technology replacement to individual governmental funds. The net expense of the internal service funds is reported with governmental activities.	355,177
Changes in net position of governmental activities (page C-3)	<u>\$ 21,609,295</u>

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activity Enterprise Fund	Governmental Activities Internal Service Funds
	Wastewater	
Assets:		
Current assets:		
Cash and investments (note B)	\$ 9,319,295	\$ 10,954,932
Receivables:		
Accounts, net of allowance for bad debt (note C)	8,660,510	10,365
Interest	14,254	-
Taxes	1,474	-
Total current assets	<u>17,995,533</u>	<u>10,965,297</u>
Non-current assets:		
Capital assets, not being depreciated (note E):		
Land	82,300	-
Construction in progress	1,346,881	-
Capital assets, being depreciated, net (note E):		
Buildings and improvements	187,804	-
Machinery and equipment	22,641	14,285
Vehicles	841,084	3,433,792
Interest in Mission Gorge Mains	8,278,987	-
Infrastructure	35,361,481	-
Total non-current assets	<u>46,121,178</u>	<u>3,448,077</u>
Total assets	<u>\$ 64,116,711</u>	<u>\$ 14,413,374</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 345,726	\$ 210,581
Accrued liabilities	405,486	20,718
Claims payable-current (note K)	-	400,000
Compensated absences payable (note G)	88,434	32,521
Deposits payable	150,686	-
Total current liabilities	<u>990,332</u>	<u>663,820</u>
Non-current liabilities:		
Claims payable (note K)	-	1,485,283
Compensated absences payable (note G)	265,304	97,564
SD Metro Wastewater (note G)	9,858,817	-
Total non-current liabilities	<u>10,124,121</u>	<u>1,582,847</u>
Total liabilities	<u>11,114,453</u>	<u>2,246,667</u>
Net position:		
Net investment in capital assets	46,121,178	3,448,077
Unrestricted	6,881,080	8,718,630
Total net position	<u>\$ 53,002,258</u>	<u>\$ 12,166,707</u>

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the fiscal year ended June 30, 2014

	Business-type Activity Enterprise Fund	Governmental Activities Internal Service Funds
	Wastewater	
Operating revenues:		
Charges for services	\$ 15,356,078	\$ 5,758,444
Fines	6,950	-
Licenses and permits	50	-
Total operating revenues	15,363,078	5,758,444
Operating expenses:		
Salaries and benefits	2,899,188	1,656,850
Materials, services and supplies	12,750,115	2,562,996
Insurance claims/premiums	-	590,575
Depreciation	1,728,817	666,279
Total operating expenses	17,378,120	5,476,700
Operating income (loss)	(2,015,042)	281,744
Non-operating revenues (expenses):		
Investment earnings	42,103	-
Other revenue	4,014	29,802
Gain on disposal of assets	-	31,553
Total non-operating revenues (expenses)	46,117	61,355
Income (loss) before operating transfers	(1,968,925)	343,099
Transfers:		
Transfers in	-	12,078
Transfers out	(145,863)	-
Total operating transfers	(145,863)	12,078
Change in net position	(2,114,788)	355,177
Net position, beginning	55,117,046	11,811,530
Net position, ending	\$ 53,002,258	\$ 12,166,707

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2014

	Business-type Activity Enterprise Fund	Governmental Activities Internal Service Funds
	Wastewater	
Cash flows from operating activities:		
Receipts from customers and charges to other funds	\$ 12,268,166	\$ 5,748,079
Payments to suppliers	(11,085,422)	(3,112,885)
Payments to employees	(2,662,022)	(1,651,138)
Net cash provided by (used for) operating activities	<u>(1,479,278)</u>	<u>984,056</u>
Cash flows from noncapital financing activities:		
Transfer in from other funds	-	12,078
Other revenue	4,014	29,802
Net cash provided by noncapital financing activities	<u>4,014</u>	<u>41,880</u>
Cash flows from capital and related financing activities:		
Acquisitions of infrastructure, machinery and equipment	(918,435)	(464,202)
Transfer out to other funds	(145,863)	-
Proceeds from sale of vehicles and equipment	-	31,553
Net cash (used for) capital and related financing activities	<u>(1,064,298)</u>	<u>(432,649)</u>
Cash flows from investing activities:		
Interest and dividends received	46,950	-
Net cash provided by investing activities	<u>46,950</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,492,612)	593,287
Cash and cash equivalents - July 1	11,811,907	10,361,645
Cash and cash equivalents - June 30	<u>\$ 9,319,295</u>	<u>\$ 10,954,932</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (2,015,042)	\$ 281,744
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	1,728,817	666,279
Changes in assets and liabilities:		
(Increase) in accounts receivable, net of allowance for bad debt	(1,518,804)	(10,365)
Decrease in intergovernmental receivable	4,927	-
Decrease in taxes receivable	6,565	-
Increase in accounts payable	38,443	40,686
Increase in accrued liabilities	206,680	4,796
Increase in deposits payable	38,650	-
Increase (decrease) in compensated absences payable	30,486	916
Total adjustments	<u>535,764</u>	<u>702,312</u>
Net cash provided by (used for) operating activities	<u>\$ (1,479,278)</u>	<u>\$ 984,056</u>

The accompanying notes are an integral part of these financial statements.

CITY OF EL CAJON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Agency Funds	Successor Agency to the Former El Cajon Redevelopment Agency	Total
Assets:			
Cash and investments	\$ 1,837,850	\$ 6,691,228	\$ 8,529,078
Cash with fiscal agent	-	6,171,719	6,171,719
Receivables:			
Accounts	79,730	-	79,730
Interest	2,516	1,695	4,211
Intergovernmental	3,946	-	3,946
Loans	3,500	3,265,227	3,268,727
Prepays	4,361	140,850	145,211
Assets held for resale	-	15,210,724	15,210,724
Capital assets:			
Land and nondepreciable capital assets	-	23,422	23,422
Total assets	\$ 1,931,903	\$ 31,504,865	\$ 33,436,768
Liabilities:			
Accounts payable	\$ 90,968	\$ 274,445	\$ 365,413
Accrued liabilities	37,717	-	37,717
Interest payable	-	817,035	817,035
Deposits payable	-	2,000	2,000
Unearned revenue	268,226	-	268,226
Long-term debt	-	65,292,220	65,292,220
Sundry agency liabilities	1,534,992	-	1,534,992
Total liabilities	\$ 1,931,903	66,385,700	68,317,603
Net position:			
Held in trust for Successor Agency to the El Cajon Redevelopment Agency		\$ (34,880,835)	\$ (34,880,835)

The accompanying notes are an integral part of these financial statements.

City of El Cajon
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the fiscal year ended June 30, 2014

	Successor Agency to the Former El Cajon Redevelopment Agency
ADDITIONS:	
Property taxes	\$ 5,865,233
Intergovernmental	44,357
Investment earnings	23,452
(Loss) from assets held for resale	(56,500)
Others	43,098
	<hr/>
Total additions	5,919,640
	<hr/>
DEDUCTIONS:	
Administrative expenses	241,428
Program/project expenses	2,655,079
Disposition of capital assets	11,480,770
Payments to affected taxing entities	2,054,777
Interest and fiscal agency expenses	3,160,921
	<hr/>
Total deductions	19,592,975
	<hr/>
Change in net position	(13,673,335)
Net position, beginning	(21,207,500)
	<hr/>
Net position, ending	\$ (34,880,835)
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.



Annual Mother Goose Parade, the Sunday before Thanksgiving

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of El Cajon have been prepared in conformity with generally accepted accounting principles in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1. Reporting entity

The City of El Cajon (City), which was established on November 12, 1912, is a legal subdivision of the State of California charged with governmental powers. The City's powers are exercised through a five member City Council which serves as its governing body. As required by generally accepted accounting principles in the United States of America (GAAP), the accompanying financial statements present the activities of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City.

2. Component units

Because of their relationship with the City and the nature of their operations, component units are, in substance, part of the City's operations and, accordingly, the activities of these component units are blended with the activities of the City for purposes of reporting in the accompanying basic financial statements. While each of these component units is legally separate from the City, the City is financially accountable for these entities. Financial accountability is demonstrated by the City Council acting as the governing board for each of the component units.

Descriptions of the City's blended component units are as follows:

El Cajon Housing Authority

The City Council adopted Resolution No. 32-11 on March 9, 2011, declaring the need for the El Cajon Housing Authority (Housing Authority), pursuant to Health and Safety Code Section 34200 et. seq. The City Council serves as the Commissioners of the Housing Authority. On January 24, 2012, the Commissioners appointed certain City staff to serve as officials of the Housing Authority, and authorized the Housing Authority to accept the housing assets and enforceable obligations from the former El Cajon Redevelopment Agency. There are no separately issued financial statements for the Housing Authority.

El Cajon Public Financing Authority

The El Cajon Public Financing Authority (ECPFA) is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement (JPA Agreement), dated as of November 9, 2004, between the City and the former Redevelopment Agency. The JPA Agreement was entered into pursuant to the California Government Code, commencing with Section 6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of aiding the financing of projects for the City and the former Redevelopment Agency. A five-member Board governs the Authority. The City's council members constitute the Board of the Authority. Separately issued financial statements may be obtained from ECPFA, c/o City of El Cajon, Finance Department, 200 Civic Center Way, El Cajon, CA 92020.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Component units (continued)

The following entity is not considered a component unit of the City of El Cajon.

Successor Agency to the Former El Cajon Redevelopment Agency

The Successor Agency to the Former El Cajon Redevelopment Agency (Successor Agency) operates under the auspices of a legislatively formed Oversight Board comprised of representatives of the affected taxing entities of the redevelopment project area. The Oversight Board, in its fiduciary capacity, has authority over the operations and the timely dissolution of the former Redevelopment Agency. It is tasked with fulfilling the obligations of the former Redevelopment Agency, including but not limited to maintaining necessary bond reserves and disposing of excess property. Separately issued financial statements can be obtained from the Successor Agency, c/o City of El Cajon Finance Department, 200 Civic Center Way, El Cajon, CA 92020.

3. Basic financial statements

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-Wide Statements

The statement of net position and the statement of activities display information about the primary government (the City) and its blended component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Included in direct expenses are certain incidental indirect costs. These indirect costs are not reported separately and, as such, are included as part of the program expense reported for the individual functions and activities.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary (agency and private-purpose trust) funds and blended component units. Separate statements for each fund category-*governmental*, *proprietary*, and *fiduciary*-are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Basic financial statements (continued)

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Major Funds

The City's major governmental and business-type funds are presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of fund-type.

Major governmental funds are defined as funds that meet both of the following criteria:

Ten percent criterion – Any governmental fund that reports at least 10 percent of *any* of the following: total governmental fund assets; total governmental fund liabilities; total governmental fund revenues; or total governmental fund expenditures.

Five percent criterion – Any individual governmental fund that reports at least 5 percent of the total for both governmental and *enterprise* funds of any one of the items for which it met the 10 percent criterion above.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund. The General Fund is always a major fund. This is the City's primary operating fund. This fund accounts for all financial resources except those required to be accounted for in another fund. The fund will continue to exist indefinitely.

El Cajon Housing Authority Special Revenue Fund. This fund accounts for the housing enforceable obligations of the former El Cajon Redevelopment Agency for the purpose of developing low to moderate income housing.

Public Safety Facilities Capital Project Fund. This fund accounts for monies to be utilized for construction of public safety facilities throughout the City.

The City reports the following major enterprise fund:

Wastewater. This fund primarily accounts for the sanitary sewer disposal and maintenance of the City's sewer lines and related facilities. It is a self-supporting activity that provides services on a user charge basis to residences and businesses.

The City also reports the following fund types:

Internal Service Funds. These funds account for the maintenance, operation, and fueling of the City's automotive equipment, replacement of the City's automotive equipment, replacement of the City's information technology equipment and systems, payment of liability premiums and insurance claims both current and future, and other post-employment benefits, all of which are provided to other departments on a cost-reimbursement basis.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Basic financial statements (continued)

Fiduciary Funds. These funds account for assets held by the City in a purely custodial capacity for other funds, governments or individuals.

4. Basis of accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic-resources measurement focus* and the full *accrual basis* of accounting, although Agency Funds have no measurement focus. Revenues are recorded when *earned* and expenses are recorded at the same time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. The primary revenue sources susceptible to accrual are taxes and earnings on investments.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*. The City allocates certain indirect expenses incurred by the general government activity to those activities that benefit.

5. Deferred Inflows of Resources

As of June 30, 2014, Governmental Funds Balance Sheet includes a section for Deferred Inflows of Resources. This financial statement element represents an acquisition of resources that applies to a future period and is therefore, not recognized as an inflow or resources (revenue) until that time.

The City has only one item of Deferred Inflow of Resources for Non-Major Special Revenue Fund (Transit). This item represents unavailable revenues for transportation and transit funding from the Transportation Development Act (TDA).

6. Property taxes

The County of San Diego (County) bills and collects property taxes on behalf of numerous special districts and incorporated cities, including the City. The City's current year tax collection is received through periodic apportionments from the County.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on the property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Since the passage of California's Proposition 13, beginning with fiscal Year 1978-79 general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76 valuations. Taxable values of properties (exclusive of increases related to sales and new construction) can rise at a maximum of 2% per year.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Budgetary information

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) by the City Council annually prior to the beginning of the fiscal year. The budget process includes submittal of each department's budget request for the next fiscal year, a detailed review of each department's proposed budget by the City Manager and a final recommended budget that is transmitted to the City Council for its review before the required date of adoption. Once transmitted to the City Council, the proposed budget is made available for inspection. Prior to adoption, a budget workshop meeting is held by the City Council. A public hearing is held to give the public the opportunity to comment upon the proposed budget. Notice of such public hearing is given in a newspaper of general circulation.

The adoption of the budget is accomplished by the approval of a Budget Resolution. The level of budgetary control is at the department level. For purposes of this requirement, each fund, other than the General Fund, is considered to be a separate department. The City Manager is authorized to transfer appropriations within a departmental budget. Any appropriations transfers between funds require City Council approval. Appropriations lapse at year-end to the extent that they have not been expended. All governmental funds have annual appropriated adopted budgets except for all capital projects funds and the following special revenue funds: CDBG, HOME and Various Donations.

8. Encumbrances

Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. A listing of significant encumbrances outstanding at year-end is included in Note L – Commitments and Contingencies.

9. Cash and cash equivalents

City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

10. Investments

Investments are reported in the accompanying financial statements at fair value except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. In the fund financial statements, changes in fair value that occur during a fiscal year are recognized as "Investment earnings" reported for the fiscal year. "Investment earnings" includes interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments.

11. Capital assets

Capital assets, which include land; buildings and improvements; machinery and equipment; interest in Mission Gorge Mains and infrastructure assets (i.e., roads, bridges, curbs and gutters, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as those with an initial, individual cost of \$10,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Capital assets (continued)

The estimated useful lives of capital assets using the straight-line method of depreciation are as follows:

Category	Useful Life
Infrastructure	20 - 60 years
Buildings and improvements	10 - 50 years
Machinery and equipment	2 - 20 years
Interest in Mission Gorge Mains	60 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Improvements are capitalized and depreciated (if applicable) over the remaining useful lives of the related capital assets.

Capital assets and the related obligations acquired under lease/purchase agreements, if any, are capitalized and accounted for in accordance with the FASB Codification.

12. Interfund transactions and balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered and are recorded as transfers in or out.

13. Claims and judgments

The City provides for public liability claims and judgments through its self-insurance fund. The costs of claims and judgments are recorded when the liability is incurred and measurable. The City also purchases excess public liability insurance above self-insured retention amounts.

14. Fund balances

The components of the fund balances of governmental funds now reflect the classifications as described below.

Nonspendable fund balance – this includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.

Assigned fund balance – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. The City Manager is the designated official for establishing fund balance assignments per City Council Policy B-12.

Unassigned fund balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Fund balances (continued)

City Council Policy B-12 also establishes the order of use of unrestricted fund balance. Committed amounts should be reduced first, followed by assigned amounts, then the unassigned amounts.

In the General Fund, Committed fund balance represents the operating reserve equal to 20% of annual expenditures, adjusted each year in conjunction with the City Council's adoption of the annual budget. Assigned fund balance is an amount to assist in accelerating the reduction of the unfunded pension liability. Unassigned fund balance represents the residual fund balance and is intended to stabilize delivery of City services during periods of operational budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures.

In the Special Revenue, Capital Projects and Debt Service Funds, Assigned fund balance represents the intent to utilize this portion of fund balance for the purposes that these funds were established.

15. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

16. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates. Management believes that the estimates are reasonable.

17. Prepaid items

Prepaid items represent expenses paid late in the current fiscal year for services to be provided early in the following fiscal year.

18. Prior year data

The information included in the accompanying government-wide financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE B: CASH AND INVESTMENTS

Cash and investments as of June 30, 2014, totaled \$102,183,804, and are reflected in the accompanying financial statements and consist of the following:

Cash and investments in the financial statements		Cash and investments consist of the following	
STATEMENT OF NET POSITION-			
Cash and investments	\$ 84,825,812	Cash on hand	\$ 4,690
Cash and investments with fiscal agent	2,657,195		
		Deposits with financial institutions	5,439,781
FIDUCIARY FUNDS-			
Cash and investments	8,529,078	Investments	96,739,333
Cash and investments with fiscal agent	6,171,719		
Total cash and investments	<u>\$102,183,804</u>	Total cash and investments	<u>\$102,183,804</u>

Investments Authorized by the California Government Code and City's Investment Policy

The table below lists some of the investment types authorized for the City by the California Government Code Section 53601 and the City's investment policy. The table also identifies certain provisions of the California Government Code or the City's investment policy, if more restrictive, that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Investment Types Authorized by State Law and the City's Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
US Treasury Obligations	5 years	None	None
US Agency Securities	5 years	None	None
Commercial Paper	270 days	25%	10%
Repurchase Agreements	30 days	30%	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	15%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Certificates of Deposit	1 year	20%	None
JPA Pools (other investment pools)/CAMP	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50,000,000 <i>per LAIF account</i>

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE B: CASH AND INVESTMENTS (continued)

Investments Authorized by Debt Agreements

The debt agreements govern the investment of debt proceeds held by bond trustee rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are generally authorized for investments with fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
General Obligations of States	None	None	None
US Treasury Obligations	None	None	None
US Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Pre-Refunded Municipal Obligations	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50,000,000 <i>per LAIF account</i>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in months)</u>			
		<u>12 or less</u>	<u>13 to 24</u>	<u>25 to 60</u>	<u>> 60</u>
US Agency securities	\$ 34,627,884	\$ 7,359,959	\$ 15,108,566	\$ 12,159,359	\$ -
US Treasuries	5,162,609	1,363,229	3,799,380	-	-
CAMP cash pool	93,861	93,861	-	-	-
LAIF (2 accounts)	48,026,065	48,026,065	-	-	-
Held by fiscal agent:					
LAIF	4,854,399	4,854,399	-	-	-
US Agency securities	2,638,502	2,638,502	-	-	-
CAMP cash pool	18,626	18,626	-	-	-
Goldman Sachs Financial Fnd	67	67	-	-	-
Invesco Treasury Private Fund	1,317,320	1,317,320	-	-	-
Total	<u>\$ 96,739,333</u>	<u>\$ 65,672,028</u>	<u>\$ 18,907,946</u>	<u>\$ 12,159,359</u>	<u>\$ -</u>

Investments with Fair Value Highly Sensitive to Interest Rate Fluctuations

As of June 30, 2014, the City's investments (including investments held by bond trustees) did not include investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE B: CASH AND INVESTMENTS (continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>S&P Rating</u>	<u>Moodys Rating</u>	<u>Not Rated</u>
US Agency securities	\$ 34,627,884	N/A	AA+	AAA	\$ -
US Treasuries	5,162,609	N/A	N/A	AAA	-
CAMP cash pool	93,861	N/A	AAAm	Not Rated	-
LAIF (2 accounts)	48,026,065	N/A	Not Rated	Not Rated	48,026,065
Held by fiscal agent:					
LAIF	4,854,399				4,854,399
US Agency securities	2,638,502	N/A	AA+	Aaa	-
CAMP cash pool	18,626	N/A	AAAm	Not Rated	-
Goldman Sachs Finc'l Fund	67	N/A	AAAm	Aaa-mf	-
Invesco Treasury Private Fund	1,317,320	AAA	AAAm	Aaa-mf	-
Total	<u>\$ 96,739,333</u>				

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Type</u>	<u>Amount</u>
Federal Home Loan Mortgage Corp.	Federal Agency Securities	\$ 9,722,450
Federal National Mortgage Association	Federal Agency Securities	25,548,058

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2014, \$0 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in uncollateralized accounts.

For the investments with fiscal agent, the fiscal agent selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE B: CASH AND INVESTMENTS (continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The maximum investment in LAIF is \$50,000,000 per account.

Investment in JPA Pool/CAMP

The City is a voluntary participant in the CAMP Trust (Trust), which was established as a nontaxable investment portfolio under provisions of the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management services. There are no minimum deposit requirements or limits on deposits and withdrawals. Dividends from net investment income are declared on a daily basis and paid on the last day of the month. Dividends paid are automatically reinvested in each account by the purchase of additional shares. The contract creating the Trust specifies the types of investments that can be made by the investment portfolio with available cash: U.S. Government securities, securities of federally sponsored agencies, repurchase agreements, banker's acceptances, negotiable certificates of deposit and commercial paper. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by CAMP.

NOTE C: ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBT

Accounts receivable and related allowance for bad debt are as follows:

Governmental Activities:		Business-type Activities:	
General Fund	\$ 724,728	Wastewater	\$11,398,110
Non-major special revenue fund	41,278		
Non-major capital projects fund	7,125	Less allowance for bad debt	(2,737,600)
Internal service fund	10,365		
Total Governmental Activities	<u>\$ 783,496</u>	Total Business-type Activities	<u>\$ 8,660,510</u>

Allowance for bad debt is recognized to ensure that receivables are not overstated due to uncollectible accounts. Bad debt reserve is maintained for accounts receivable based on a variety of factors, including the length of time receivables are past due, economic conditions, significant one-time events and historical experience.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE D: LOANS RECEIVABLE

Lexington Avenue Senior Apartments \$ 275,000

In fiscal year 1994, the City and the former Redevelopment Agency entered into a Disposition and Development Agreement with a Lexington Avenue Senior Apartments to provide for the development of affordable housing on certain property situated within the Project Area. The former Redevelopment Agency loaned \$550,000, which is to be repaid in forty equal annual installments of \$13,750 each, with no interest. If the apartments remain in compliance with the provisions of the agreement during the one-year period preceding the due date of the note installment, the installment is forgiven and the principal balance of the note is reduced by the amount forgiven. This loan is now an asset of the El Cajon Housing Authority as the successor housing entity. At the end of the agreement, fiscal year 2034, the property will revert to the El Cajon Housing Authority, as the successor housing entity.

El Cajon Gardens, L.P. (Laurel Village Project), Loan #1 \$ 832,000

In fiscal year 1998, the City loaned \$832,000 of HOME Program funds to the El Cajon Gardens, L.P., for the purpose of acquiring and rehabilitating forty-two apartment units on Leslie Road. The loan is secured by a Deed of Trust. The original note, due and payable on September 11, 2012, was modified on February 14, 2013, extending the due date to July 1, 2014. The balance outstanding includes principal \$832,000 as of June 30, 2014.

El Cajon Gardens, L.P. (Laurel Village Project), Loan #2 \$ 1,353,534

Additionally, in fiscal year 1998, the former Redevelopment Agency entered into an Affordable Housing Agreement with El Cajon Gardens, L.P. for the same project. Under the agreement, which was subsequently amended on June 1, 1999, the Agency agreed to loan up to \$690,000, at an interest rate of 6%. The loan is secured by a Deed of Trust. The loan is due and payable on July 1, 2014. The balance outstanding includes principal and accrued interest of \$690,000 and \$663,534, respectively, as of June 30, 2014. This loan is now an asset of the El Cajon Housing Authority as the successor housing entity.

Chambers Senior Residences, L.P. \$ 4,763,872

In fiscal year 2010, the former Redevelopment Agency entered into a Disposition Development Agreement with Chambers Senior Residences, L.P. for the development and construction of affordable housing units for forty-eight senior households with very low income and family households with moderate income. The former Redevelopment Agency agreed to provide a loan up to \$4,500,000, secured by a Deed of Trust. The loan bears interest at the rate of 3%. Loan repayments will be based on residual receipts from the monies earned on the property once it is built. The balance outstanding includes principal and accrued interest of \$4,500,000 and \$263,872 respectively, at June 30, 2014. This loan is now an asset of the El Cajon Housing Authority as the successor housing entity.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE D: LOANS RECEIVABLE (continued)

Bay Kitchen and Bath Remodelers **\$ 416,299**

On March 14, 2011, the former Redevelopment Agency entered into an Affordable Housing Agreement with James and Marcia Miller (dba Bay Kitchen and Bath Remodelers) for participation in the former Agency's Greenovation Program. The program was established to eliminate blight throughout the inner city by substantially rehabilitating substandard housing properties, while providing affordable housing opportunities to the citizens of El Cajon. The former Agency agreed to provide up to \$550,000 of low and moderate income housing funds as program loan, secured by a Deed of Trust. The loan bears at the rate of 3.25%. Principal and interest payment are due and payable six (6) months from the date of the recordation of Deed of Trust. As of June 30, 2014, the Housing Authority, as the successor for housing assets and obligations, had disbursed \$403,832 for the acquisition of a property to be rehabilitated. The balance outstanding of the loan includes principal and accrued interest of \$403,832 and \$12,467, respectively, at June 30, 2014. This loan is now an asset of the El Cajon Housing Authority as the successor housing entity.

Successor Agency to the Former El Cajon Redevelopment Agency, Land Sale **\$ 4,039,488**

The City entered into an agreement with the former Redevelopment Agency to sell the property at 100 Fletcher Parkway on June 15, 2011. The property was the site of the former police facility. The appraisal was for \$4,850,000, which was the purchase price of the property. The former Redevelopment Agency made a \$1,000,000 down payment and executed a Promissory Note secured by a Deed of Trust for \$3,850,000. The original note had an interest rate of 3% and required annual payments of \$840,665 for five years.

On February 11, 2014, the City of El Cajon complied with the State Controller's Office (SCO) order issued in the Asset Transfer Review report and turned over \$1,840,665 of cash assets to the Successor Agency for remittance to the county auditor-controller. The funds returned by the City comprised of the \$1 million down payment and the first installment payment of \$840,665 made by the former Agency for the land purchase. The Successor Agency executed a second promissory note for the \$1 million down payment, which is due to the City in fiscal year 2014-15.

Based on AB1484 requirements, loan payments by the Successor Agency to the City must be recalculated at the LAIF interest rate of 0.26% and repayments cannot begin until fiscal year 2014-15. The total outstanding principal owed to the City at June 30, 2014 was \$4,021,800, plus accrued interest of \$17,688.

Other Various Rehabilitation Loans **\$ 14,486,030**

The City and the Housing Authority have made various rehabilitation loans to low income households during the past few years. Provided that the Borrower continues to occupy the property as their primary residence, the principal sum is to be repaid upon the sale, transfer or change in title to the property. A few of the loans are forgivable if the Borrower meets certain criteria. The loans are secured by a Deed of Trust and bear no interest. The outstanding balances on these loans are as follows: CDBG \$354,342; HOME \$8,113,737; CAL HOME \$474,174; and Housing Authority (Low/Moderate Income Housing Assets) \$5,543,777.

Total Loans Receivable **\$ 26,166,223**

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE E: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 15,560,403	\$ 6,895,763	\$ -	\$ 22,456,166
Rights of way	31,190,652	-	-	31,190,652
Construction in progress	1,949,916	4,975,411	(4,122,012)	2,803,315
Total assets, not being depreciated	<u>48,700,971</u>	<u>11,871,174</u>	<u>(4,122,012)</u>	<u>56,450,133</u>
Capital assets being depreciated:				
Land improvements	2,001,733	4,590,989	-	6,592,722
Buildings and improvements	84,447,796	477,061	-	84,924,857
Machinery and equipment	7,792,346	86,616	-	7,878,962
Vehicles	12,714,481	519,554	(387,780)	12,846,255
Infrastructure	179,597,607	4,228,251	-	183,825,858
Total assets being depreciated	<u>286,553,963</u>	<u>9,902,471</u>	<u>(387,780)</u>	<u>296,068,654</u>
Less accumulated depreciation for:				
Land improvements	(733,808)	(135,684)	-	(869,492)
Buildings and improvements	(14,109,395)	(2,652,082)	-	(16,761,477)
Machinery and equipment	(4,624,168)	(357,966)	-	(4,982,134)
Vehicles	(8,273,835)	(778,548)	387,780	(8,664,603)
Infrastructure	(91,134,322)	(4,503,313)	-	(95,637,635)
Total accumulated depreciation	<u>(118,875,528)</u>	<u>(8,427,593)</u>	<u>387,780</u>	<u>(126,915,341)</u>
Total capital assets being depreciated, net	<u>167,678,435</u>	<u>1,474,878</u>	<u>-</u>	<u>169,153,313</u>
Governmental activity capital assets, net	<u>\$ 216,379,406</u>	<u>\$ 13,346,052</u>	<u>\$ (4,122,012)</u>	<u>\$ 225,603,446</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities				
Land	\$ 82,300	\$ -	\$ -	\$ 82,300
Construction in progress	771,304	935,038	(359,461)	1,346,881
Total assets, not being depreciated	<u>853,604</u>	<u>935,038</u>	<u>(359,461)</u>	<u>1,429,181</u>
Capital assets being depreciated:				
Buildings and improvements	427,527	-	-	427,527
Machinery and equipment	150,127	-	-	150,127
Vehicles	2,325,911	-	-	2,325,911
Interest in Mission Gorge Mains	11,038,654	-	-	11,038,654
Infrastructure	76,821,472	342,858	-	77,164,330
Total assets being depreciated	<u>90,763,691</u>	<u>342,858</u>	<u>-</u>	<u>91,106,549</u>
Less accumulated depreciation for:				
Buildings and improvements	(232,500)	(7,223)	-	(239,723)
Machinery and equipment	(122,227)	(5,259)	-	(127,486)
Vehicles	(1,277,465)	(207,362)	-	(1,484,827)
Interest in Mission Gorge Mains	(2,575,689)	(183,978)	-	(2,759,667)
Infrastructure	(40,477,854)	(1,324,995)	-	(41,802,849)
Total accumulated depreciation	<u>(44,685,735)</u>	<u>(1,728,817)</u>	<u>-</u>	<u>(46,414,552)</u>
Total capital assets being depreciated, net	<u>46,077,956</u>	<u>(1,385,959)</u>	<u>-</u>	<u>44,691,997</u>
Business-type activity capital assets, net	<u>\$ 46,931,560</u>	<u>\$ (450,921)</u>	<u>\$ (359,461)</u>	<u>\$ 46,121,178</u>

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE E: CAPITAL ASSETS (continued)

Depreciation expense is charged to functions based on their usage of the related assets. The amounts allocated to each function are as follows:

Governmental Activities:		Business Type Activities:	
General government	\$ 341,341	Wastewater	\$ 1,728,817
Public safety	3,074,716		
Public works	4,647,385		
Parks and recreation	356,934		
Community development	7,217		
Total depreciation expense	<u>\$ 8,427,593</u>	Total depreciation expense	<u>\$ 1,728,817</u>

NOTE F: INTERFUND TRANSACTIONS AND BALANCES

Transfers to and from funds for the year ended June 30, 2014, were as follows:

TRANSFER TO	TRANSFER FROM				
	MAJOR FUNDS		NON-MAJOR FUNDS		PROPRIETARY FUND
	General Fund	Capital Projects	Special Revenue Funds	Capital Projects Fund	Wastewater
MAJOR FUND					
General Fund	\$ -	\$ -	\$ 193,781 (a)	\$ -	\$ -
General Fund (Emergency Medical Service)	826,707 (c)	-	-	-	-
NON-MAJOR FUNDS					
Capital Projects Funds					
Public Works Projects	-	-	1,520,597 (a)	2,802,380 (a)	145,863 (a)
Parks and Recreation Improvement Grants	3,000 (a)	-	-	128,592 (a)	-
City Capital Improvement Program	2,500,000 (a)	-	77,850 (a)	-	-
Transportation Projects	-	-	-	-	-
Debt Service Fund					
El Cajon Public Financing Authority	-	7,902,600 (b)	-	-	-
INTERNAL SERVICE FUND					
Vehicle and Equipment Replacement	-	-	12,078 (a)	-	-
TOTALS	<u>\$3,329,707</u>	<u>\$7,902,600</u>	<u>\$1,804,306</u>	<u>\$2,930,972</u>	<u>\$ 145,863</u>

Transfers are used to (a) subsidize various programs and capital projects; (b) debt service payment obligation of the El Cajon Public Financing Authority as further explained in Note G; or (c) subsidy of Emergency Medical Service that is accounted for as a separate fund by the City but reported as General Fund for financial statement purposes in accordance with GASB Statement No. 54.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE F: INTERFUND TRANSACTIONS AND BALANCES (continued)

Due to and from funds for the year ended June 30, 2014, were as follows:

DUE TO GENERAL FUND FROM:

NON-MAJOR SPECIAL REVENUE FUNDS

Transit	\$ 92,400
Federal, State, and Local Grants	3,555
CDBG	30,823

NON-MAJOR CAPITAL PROJECT FUND

Transportation Projects	177,633
-------------------------	---------

TOTALS	\$ 304,411
---------------	-------------------

NOTE G: LONG-TERM LIABILITIES

Summary of the changes in long-term liabilities for the fiscal year ended June 30, 2014, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Compensated absences	\$ 6,376,400	\$3,009,320	\$ (3,039,436)	\$ 6,346,284	\$ 1,586,571
Claims payable (note K)	1,885,283	590,575	(590,575)	1,885,283	400,000
Revenue bond	22,255,000	-	(7,130,000)	15,125,000	7,415,000
Bond issuance premium	320,828	-	(128,330)	192,498	128,330
Notes payable	394,000	-	(57,000)	337,000	57,000
Total governmental activities	<u>\$ 31,231,511</u>	<u>\$ 3,599,895</u>	<u>\$ (10,945,341)</u>	<u>\$ 23,886,065</u>	<u>\$ 9,586,901</u>
BUSINESS-TYPE ACTIVITIES					
Compensated absences	\$ 323,252	\$ 353,738	\$ (323,252)	\$ 353,738	\$ 88,434
SD Metro Wastewater	9,858,817	-	-	9,858,817	-
Total business-type activities	<u>\$ 10,182,069</u>	<u>\$ 353,738</u>	<u>\$ (323,252)</u>	<u>\$10,212,555</u>	<u>\$ 88,434</u>

Compensated absences:

Compensated absences balances for the fiscal year ended June 30, 2014 are as follows:

Governmental Activities:		Business Type Activities:	
MAJOR FUNDS		Wastewater enterprise	\$ 353,738
General Fund	\$ 6,113,201		
NON-MAJOR SPECIAL REVENUE FUNDS			
Gas Tax	90,205		
Transit	12,793		
INTERNAL SERVICE FUNDS	130,085		
Total	<u>\$ 6,346,284</u>	Total	<u>\$ 353,738</u>

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE G: LONG-TERM LIABILITIES (continued)

Revenue bond:

El Cajon Public Financing Authority, 2009 Series A \$ 15,125,000

In June 2009, the El Cajon Public Financing Authority (ECPFA) issued \$25,195,000 of Revenue Bonds. The Bonds are special obligations of ECPFA payable from revenue consisting primarily of lease payments payable by the City under a lease agreement dated as of June 1, 2009, between the ECPFA, as lessor, and the City as lessee. The City pledges and will pay the lease payments from sales tax revenues received by the City pursuant to Proposition O, a ballot measure approved by 68.92% of the voters of the City voting on the matter on November 2, 2004, which imposes a ½% sales tax in the City, which will expire on March 31, 2015. The Bonds were issued to finance a portion of the costs of the public safety facility. The Bonds are term bonds maturing on August 1, 2015, and are subject to mandatory redemption from minimum sinking account payments. Interest is payable semi-annually on February 1 and August 1 at interest rates ranging from 3.00% to 5.00%.

Pledged revenues: The City has pledged future sales tax revenues received by the City pursuant to Proposition O (estimated at \$45,082,650 at date of issuance) as security for the bonds equivalent to the total principal and interest of the bonds at issuance. The pledge is considered outstanding for the duration of the debt service requirements (6 years). Pledged sales tax revenues and required debt service for the fiscal year ended June 30, 2014, are \$8,447,073 and \$7,902,600, respectively.

The revenue bonds reserve fund is to be held on deposit with a fiscal agent (trustee) in an amount equal to the least of (i) maximum annual debt service, (ii) 125% of average annual debt service, or (iii) 10% of the principal amount on the Bonds. The amount of restricted cash and investments held with fiscal agent at June 30, 2014, was \$2,657,195.

Debt service requirements to maturity of the revenue bond are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 7,415,000	\$ 466,700	\$ 7,881,700
2016	7,710,000	154,200	7,864,200
Totals	<u>\$ 15,125,000</u>	<u>\$ 620,900</u>	<u>\$ 15,745,900</u>

Note payable:

HUD Section 108 Series 2004-A \$ 337,000

In June 2004, the City entered into a note payable for \$850,000 with HUD under Section 108 for the acquisition of a fire engine ladder truck that serves the entire City. This note payable is an advance of future CDBG grants. Interest is payable semi-annually in February and August, at an annual rate of approximately 5.5%. This note is secured by a deed of trust and matures in August 2019.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE G: LONG-TERM LIABILITIES (continued)

Debt service requirements to maturity of the notes payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 57,000	\$ 17,077	\$ 74,077
2016	57,000	14,070	71,070
2017	57,000	10,981	67,981
2018	57,000	7,826	64,826
2019	57,000	4,614	61,614
2020	52,000	1,498	53,498
Totals	<u>\$ 337,000</u>	<u>\$ 56,066</u>	<u>\$ 393,066</u>

Obligation due to San Diego Metro Wastewater **\$ 9,858,817**

In a prior year, the City entered into an agreement to reimburse the Metropolitan Wastewater Department of the City of San Diego ("SDMWD") for costs incurred by SDMWD in the construction of the Mission Gorge Mains. The parties are in agreement as to the obligation; however, both the total dollar amount to be remitted and the amounts of the annual installments are still being negotiated by the two parties. No agreement has been made with respect to whether or not interest will be applied to the obligation.

NOTE H: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description: California Public Employees' Retirement System (CalPERS) Defined Benefit Pension Plan. The City contributes to CalPERS, an agent multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for participating public entities within the State of California. All City employees who work at least 1,000 hours per fiscal year are eligible to participate in CalPERS. Participants in the plan vest after five years of creditable service. When eligible for retirement, annual retirement benefits are calculated on a sliding scale based on age, years of service, and final compensation based on highest one year or three-year average, depending on membership type, class and hire date. CalPERS also provides death and disability benefits. These benefit provisions and all other requirements are established by State Statute, as recently amended by the Public Employees' Pension Reform Act (PEPRA), and City ordinance. Copies of CalPERS' annual report may be obtained from their executive office located at 400 P Street, Sacramento, CA 95814.

Funding Policy:

The City's covered payroll for employees enrolled in CalPERS for the year ended June 30, 2014, was \$28,618,518 out of total payroll of \$29,098,199. The contribution rates as a percentage of wages for the year ended June 30, 2014, were as detailed below.

	<u>CLASSIC MEMBER</u>		<u>PEPRA MEMBER</u>	
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Safety</u>
MEMBER CONTRIBUTION RATE:				
Member Paid Member Contribution Rate	8.000%	9.000%	6.250%	12.250%
Employer Paid Member Contribution Rate	-	-	-	-
Total Member Contribution Rate	<u>8.000%</u>	<u>9.000%</u>	<u>6.250%</u>	<u>12.250%</u>
EMPLOYER CONTRIBUTION RATE	28.476%	39.066%	28.476%	39.066%

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE H: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

Actuarially-Determined Contributions Requirements and Contribution Made:

CalPERS uses the Entry Age Normal Actuarial Cost Method, which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount, which would fund the projected benefit if it were paid annually from date of employment until retirement.

CalPERS uses a modification of the Entry Age Cost Method in which the employer's total normal cost is expressed as a level percentage of payroll, on a closed basis to amortize any unfunded actuarial liabilities.

The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The significant actuarial assumptions included (a) investment return of 7.5% compounded annually (net of expenses), (b) overall payroll growth of 3.0% compounded annually, and (c) inflation of 2.75% compounded annually. All gains and losses are tracked and amortized over a rolling 30-year period with the exception of special gains and losses in fiscal years 2008-09, 2009-10, and 2010-11. Each of these years' gains or losses will be isolated and amortized over fixed and declining 30-year periods (as opposed to the current open 30-year amortization).

Readers of this document are advised to refer directly to the full disclosure of actuarial and funding practices of the multi-employer PERS system, which this agency does not control. PERS may employ actuarial techniques such as extended smoothing and amortization periods that would result in future increases in required employer contributions which are not reflected in these financial statements, particularly in the event of any future changes in governmental financial reporting standards and system-wide funding practices. Further information on its financial practices should be requested from CalPERS.

Funded Status and Funding Progress:

The funded status and funding progress below presents multi-year trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Multiyear trend information regarding the funding progress is required supplemental information and is presented here for the convenience of the reader.

The funded status of the Miscellaneous and Safety Plans were 70.2% and 66.4%, respectively, as of the most recent actuarial valuation date of June 30, 2013, and are computed using the market value of assets. In prior years, the funded status was disclosed based upon the actuarial value of assets which was reported by CalPERS in addition to the market value of assets. Beginning with the June 30, 2013, actuarial valuation, CalPERS is only reporting the market value of assets. The information below is based upon the market value of assets for all years displayed.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE H: PUBLIC EMPLOYEES' RETIREMENT SYSTEM (continued)

MISCELLANEOUS PLAN						
Valuation Date	Entry Age Normal Accrued Liability	Market Value of Assets	Unfunded Liability	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
06/30/2011	\$ 166,665,778	\$ 116,255,217	\$ 50,410,561	69.8%	\$15,696,037	321.2%
06/30/2012	173,408,473	113,325,989	60,082,484	65.4%	15,296,698	392.8%
06/30/2013	179,006,378	125,744,840	53,261,538	70.2%	14,167,290	375.9%

SAFETY PLAN						
Valuation Date	Entry Age Normal Accrued Liability	Market Value of Assets	Unfunded Liability	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
06/30/2011	\$234,599,761	\$159,337,257	\$75,262,504	67.9%	\$15,548,494	484.1%
06/30/2012	243,043,472	153,654,487	89,388,985	63.2%	14,900,163	599.9%
06/30/2013	250,722,908	166,418,715	84,304,193	66.4%	14,451,073	583.4%

Annual Pension Cost:

For the fiscal year ended June 30, 2014, the City's annual pension cost for both plans was \$11,076,701. The City contributed at the rate established by CalPERS for each of the City's plans. The three-year trend is presented below.

<u>Fiscal Year</u>	Miscellaneous Plan Annual Pension Cost (APC)	Safety Plan Annual Pension Cost (APC)	Total Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2012	\$4,669,093	\$6,171,873	\$10,840,966	100.0%	-
06/30/2013	4,642,069	6,169,535	10,811,604	100.0%	-
06/30/2014	4,700,556	6,376,145	11,076,701	100.0%	-

NOTE I: DEFINED CONTRIBUTION PLAN

City provides a defined contribution retirement plan (the "Plan") for commissioners and specified part-time, temporary and seasonal employees who work less than 1,000 hours per fiscal year in lieu of Social Security coverage. In a defined contribution plan, benefits depend solely on amount contributed to the plan plus investment earnings. The plan provisions were established by the City Council to comply with the Omnibus Budget Reconciliation Act of 1990. The plan is a qualified pension plan as specified by Internal Revenue Code Section 414(l), and is administered by Nationwide Retirement Solutions.

Eligible employees are fully vested effective their dates of hire. If participating employees become eligible for participation in PERS, by virtue of working more than 1,000 hours per fiscal year or otherwise, contributions to the Plan shall cease once the employee is enrolled in CalPERS. If a participating employee is hired into a regular full-time position, all contributions and earnings in the plan are transferred to the City's Deferred Compensation Plan, also administered by Nationwide Retirement Solutions.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE I: DEFINED CONTRIBUTION PLAN (continued)

Contributions are equal to 7.5% of each participating employee's compensation and are made by the City. Contributions are invested with a third party administrator in a liquid savings account. Earnings are at a variable rate and accrue daily commencing on the date the funds are posted. For the year ended June 30, 2014, the City's total payroll and covered payroll was \$622,743. The City made employer contributions of \$46,706. The assets held in trust by the plan administrator had a fair value of \$386,455 at June 30, 2014.

Distribution shall be by lump sum only, twelve months after termination of employment. Such distribution shall include investment earnings accrued to date of fund withdrawal. In the event of a participating employee's death, the waiting period will be waived.

NOTE J: OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City provides a monthly contribution towards certain health benefits for retired miscellaneous and safety members who retired on or after July 14, 1988. The monthly contribution was \$115 and \$119 during calendar years 2013 and 2014, respectively, in accordance with the Public Employees Medical and Health Care Act (PEMCHA). The healthcare benefit meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

Funding Policy

The annual contribution is a combination of projected pay-as-you-go and an additional amount to prefund benefits as determined annually by the City Council. For fiscal year 2013-14, the City contributed a total of \$521,585: \$260,585 pay-as-you-go and \$261,000 towards prefunding.

Annual OPEB Cost and Net OPEB Asset

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB asset.

	<u>June 30, 2014</u>
Annual required contribution	\$ 606,593
Interest on net OPEB obligation	(84,451)
Adjustment to annual required contribution	<u>77,888</u>
Annual OPEB cost (expense)	600,030
Contributions made	<u>(521,585)</u>
Decrease in net OPEB obligation (asset)	78,445
Net OPEB obligation (asset) – beginning of year	<u>(993,065)</u>
Net OPEB obligation (asset) – end of year	<u><u>\$ (914,620)</u></u>

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE J: OTHER POST EMPLOYMENT BENEFITS (continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for 2014 and the two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2012	\$ 244,985	192.5%	\$ (739,994)
6/30/2013	259,875	197.4%	(993,065)
06/30/2014	600,030	86.9%	(914,620)

Funded Status and Progress

The funded status and funding progress below presents multi-year trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Multi-year trend information regarding the funding progress is required supplemental information and is presented here for the convenience of the reader.

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
7/01/2009	\$ 3,031,000	\$ 81,000	\$ 2,950,000	2.7%	\$ 31,846,334	9.3%
6/30/2011	3,441,000	559,000	2,882,000	16.2%	30,806,019	9.4%
6/30/2013	5,335,400	1,198,033	4,137,367	22.5%	28,618,518	14.5%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

For the most recent valuation, the actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.36% investment rate of return, which is the assumed rate of expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, an annual adjustment of 4% to the minimum reimbursement amount, and assumed payroll increases of 3.3%. The UAAL is being amortized using level-dollar over a closed amortization period, with 13 years remaining.

NOTE K: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The government, including its component units, uses the Self Insurance Fund to account for and finance risks for general liability. There were no significant changes in insurance coverage from the prior year, and there were no settlements in excess of the insurance coverage in any of the prior three years.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE K: RISK MANAGEMENT (continued)

Worker's Compensation Insurance

The City participates in CSAC Excess Insurance Authority's (CSAC EIA) programs for both primary and excess coverage. The primary coverage covers the first dollar to \$125,000; the excess layer covers losses up to the statutory limit. York Risk Management is the City's third party administrator. Alliant Insurance Services provides brokerage services. Loss control services are obtained on an as needed basis.

Property Insurance

The City participates in the Public Entity Property Insurance Program (PEPIP) through Alliant Insurance Services for coverage on the City's physical assets. This includes all real and personal property owned by the City or for which the City has assumed responsibility to insure, e.g. buildings, structures, computer equipment, heavy duty equipment, mechanical equipment, vehicles, furniture and fixtures. The deductible is \$50,000 per occurrence.

Liability Insurance

The City is self-insured for liability insurance through CSAC EIA with a self-insured retention (SIR) of \$250,000. The total general liability policy limit is \$25,000,000, including the \$250,000 SIR. The Director of Human Resources/Risk Manager administers claims against the City. The estimated liability for pending and incurred but not reported (IBNR) claims at June 30, 2014, has been incorporated in the financial statements as claims payable in the Self Insurance Internal Service Fund and is based on history and actuarial studies.

The aggregate change in the balance of liability is as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Claims payable, beginning of year	\$1,885,283	\$1,712,337	\$ 1,586,000
Current year claims & changes in estimates	590,575	961,349	542,000
Claim payments	<u>(590,575)</u>	<u>(788,403)</u>	<u>(415,663)</u>
Claims payable, end of year	<u>\$1,885,283</u>	<u>\$1,885,283</u>	<u>\$ 1,712,337</u>

NOTE L: COMMITMENTS AND CONTINGENCIES

Operating Leases

The City has entered several operating leases in the conduct of its day-to-day operations to provide for services. None of these operating leases are considered to be significant commitments.

Federal and State Grants

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City management believes such disallowances, if any, would not have a material effect on the City's financial position.

Litigation

The City is a defendant in a number of lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material effect on the City's financial position.

CITY OF EL CAJON
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the fiscal year ended June 30, 2014

NOTE L: COMMITMENTS AND CONTINGENCIES (continued)

Significant Encumbrances

Encumbrances represent purchase orders, contracts or other commitments for the expenditure of monies. However, because these commitments will be honored in subsequent years, they do not constitute an expenditure or liability for financial statement purposes. At fiscal year-end, the City had the following significant encumbrances.

Hillside Recreation Center Improvements	\$858,164
Sewer System Inspection	373,017
Sewer Drainage Master Plan	266,242
Johnson Avenue Sewer Trunk Line Replacement	229,278

Audits of Certain Mandated Cost Claims Filed with the State of California

The California State Controller, Division of Audits, conducted an audit of the costs claimed by the City of El Cajon. The result of the audits was a disallowance of costs claimed as unsupported, resulting in overpaid claims to the City. For the Animal Adoption Program, a time study was submitted to the State Controller in September 2010, and the Second Revised Audit Report was issued on June 30, 2014. The overpaid amount has been partially offset from other eligible claims submitted and allowed by the State Controller. The remaining disallowed costs were expensed in FY 2013-14 and the amount will be returned to the State in FY 2014-15. These audit reports are published on the California State Controller's Office, State Mandated Costs website, http://www.sco.ca.gov/ard_mancost.html.

<u>Program Audited</u>	<u>Period Audited</u>	<u>Audit Report Date</u>	<u>Total Disallowed</u>
Animal Adoption	7/01/1998-6/30/2007	06/30/2014	\$1,262,058
Photographic Record of Evidence	7/01/2002-6/30/2007	12/04/2009	319,507
Total before offsetting claims			1,581,656
Offsetting claims FY 2009-10 through FY 2013-14			(44,722)
Remaining Disallowed Costs Expensed in FY 2013-14			<u>\$1,536,934</u>

NOTE M: JOINT VENTURES

The City represents the greatest membership share in two of the joint powers authorities to which it belongs. A summary of each joint power authority, the City's participation, and any related party transactions with each authority are as follows:

Heartland Fire Training Authority

The purpose of Heartland Fire Training Authority (HFTA) is to provide a fire-fighting training facility and training courses for personnel of the member agencies. HFTA was created on October 1, 1999, as amended, by a Joint Powers Agreement (JPA) between a number of cities and fire protection districts in San Diego County. For the current fiscal year, the JPA members consist of the Cities of El Cajon, La Mesa, Lemon Grove, and Santee, the County of San Diego, the Fire Protection Districts of Alpine, Bonita-Sunnyside, Lakeside, and San Miguel, the Viejas Band of Kumeyaay Indians, and the Barona Band of Mission Indians. One elected official from each member agency is appointed to the HFTA Commission. The Commission approves an annual budget based on the costs of operating the facility and providing training to member agency personnel. El Cajon's membership share was 19.03% for the fiscal year ending June 30, 2014.

CITY OF EL CAJON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

NOTE M: JOINT VENTURES (continued)

On October 27, 2009, HFTA entered into a Facility Lease Agreement with the City of El Cajon. The executed agreement included a proposed capital improvement project based on a prioritized list of capital improvement needs. The lease agreement provides for annual rent payments of \$66,500 that was utilized by the City of El Cajon to fund the capital improvement project. The City also provides clerical and accounting services for HFTA. Charges for services were \$23,832 for the fiscal year ending June 30, 2014.

Annual financial statements may be obtained from HFTA, c/o City of El Cajon, Finance Department, 200 Civic Center Way, El Cajon, CA 92020.

Heartland Communications Facility Authority

The purpose of the Heartland Communication Facility Authority (HCFA) is to equip, maintain, operate and staff a facility to provide emergency call receiving and dispatching services to member agencies. HCFA was created on June 25, 1986, as amended, by a Joint Powers Agreement (JPA) between a number of cities and fire protection districts in San Diego County. For the current fiscal year, the JPA members consist of the Cities of Coronado, El Cajon, La Mesa, Lemon Grove, and Santee, and the Fire Protection Districts of Alpine, Bonita-Sunnyside, and Lakeside. One elected official from each member agency is appointed to the HCFA Commission. The commission approves an annual budget based on the costs of operating the Authority. El Cajon's membership share was 32.70% for the fiscal year ending June 30, 2014.

HCFA leases a portion of the property located at 100 E. Lexington Avenue from the City. Lease payments totaled \$45,165 for the fiscal year ending June 30, 2014. The City also provides clerical and accounting services for HCFA. Charges for services were \$46,368 for the fiscal year ending June 30, 2014.

Annual financial statements may be obtained from HCFA, c/o City of El Cajon, Finance Department, 200 Civic Center Way, El Cajon, CA 92020.

NOTE N: SIGNIFICANT CONSTRUCTION IN PROGRESS PROJECTS

The City has active construction projects in progress as of June 30, 2014. At year end, the City's commitments are as follows:

<u>Project Name</u>	<u>Total Project Budget</u>	<u>Costs Incurred To Date</u>	<u>Estimated Remaining Project Costs</u>
Johnson Avenue Sewer Trunk Line Replacement	\$12,063,000	\$1,206,023	\$10,856,977
Animal Shelter	10,527,000	423,086	10,103,914
Sewer and Storm Drain Repair and Replacement	8,500,000	140,858	8,359,142
Overlay Thoroughfares	8,680,000	56,598	8,623,402
Pedestrian Safety-Greenfield Drive	1,610,500	155,213	1,455,287
Curb Ramps	1,125,000	36,000	1,089,000
Street Resurfacing	1,980,000	44,041	1,935,959
Median Improvements	1,300,000	45,512	1,254,488
Fire Station 6 Improvements	1,700,000	103,808	1,596,192



MAJOR GOVERNMENTAL FUNDS

Major governmental funds are defined as funds that meet both of the following criteria:

Ten percent criterion - Any governmental fund that reports at least 10 percent of any of the following: total governmental fund assets; total governmental fund liabilities; total governmental fund revenues; or total governmental fund expenditures.

Five percent criterion - Any individual governmental fund that reports at least 5 percent of the total for both governmental and enterprise funds of any one of the items for which it met the 10 percent criterion above.

The General Fund is always a major fund.

General fund - This is the City's primary operating fund. This fund accounts for all financial resources except those required to be accounted for in another fund. The fund will continue to exist indefinitely.

SPECIAL REVENUE FUNDS

The fund(s) listed below are major Special Revenue Fund(s). Budgetary to actual comparison schedules are not presented for these fund(s) as explained below.

Housing Authority - This fund accounts for the committed, housing set-aside funds that were transferred from the former Redevelopment Agency when it was dissolved by State law on February 1, 2012. This fund is used to increase, improve, and preserve affordable housing for low and moderate income residents of El Cajon. This fund is not annually budgeted because its fund activities (housing loans), are of a long-term basis.

Required Supplementary Information
CITY OF EL CAJON
Budgetary Comparison Schedule
General Fund
For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Taxes:				
Sales and use	\$ 25,350,000	\$ 25,350,000	\$ 25,367,434	\$ 17,434
Property	19,840,000	19,840,000	21,285,194	1,445,194
Franchise	4,750,000	4,750,000	4,791,459	41,459
Transient lodging	1,050,000	1,050,000	1,138,761	88,761
Business licenses	760,000	760,000	766,515	6,515
Property transfer	175,000	175,000	407,065	232,065
Total taxes	51,925,000	51,925,000	53,756,428	1,831,428
Intergovernmental:				
Motor vehicle license fees	-	-	42,663	42,663
Reimbursements	518,000	518,000	746,238	228,238
Total intergovernmental	518,000	518,000	788,901	270,901
Licenses and permits	891,600	891,600	1,043,011	151,411
Charges for services:				
Planning and engineering	328,000	328,000	512,954	184,954
Public safety	430,300	430,300	427,419	(2,881)
All others	1,866,755	1,866,755	1,871,544	4,789
Total charges for services	2,625,055	2,625,055	2,811,917	186,862
Investment earnings	190,000	190,000	39,033	(150,967)
Other:				
Fines	576,500	576,500	730,257	153,757
Sale of property	2,500	2,500	142,967	140,467
Rental income	767,500	767,500	798,364	30,864
Miscellaneous	1,906,289	1,906,289	1,984,542	78,253
Total other	3,252,789	3,252,789	3,656,130	403,341
Total revenues	59,402,444	59,402,444	62,095,420	2,692,976

Required Supplementary Information
CITY OF EL CAJON
Budgetary Comparison Schedule
General Fund
For the fiscal year ended June 30, 2014
(continued)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General government:				
Administration	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ -
City council	225,971	225,971	210,644	15,327
Community services and events	656,545	659,116	526,277	132,839
Contingency	100,000	103,000	35,350	67,650
Economic development	360,750	360,750	12,671	348,079
City attorney	506,718	512,772	512,772	-
City clerk and elections	345,923	351,828	311,726	40,102
City manager	731,033	726,948	609,294	117,654
Membership and publications	73,950	73,950	70,095	3,855
Finance	3,212,306	3,252,726	3,252,725	1
Post retirement benefits	906,229	906,229	906,228	1
Human resources	638,446	649,981	549,825	100,156
Information systems	588,184	616,895	616,895	-
Business service	181,118	162,864	153,746	9,118
Facilities maintenance	2,118,992	2,146,480	2,090,657	55,823
ECPAC administrative services	219,212	219,212	50,086	169,126
Total general government	12,115,377	12,218,722	11,158,991	1,059,732
Public safety:				
Police:				
Administration	1,689,219	3,218,609	3,218,606	3
Inspection and training	1,413,526	1,315,756	1,315,754	2
Records	868,394	737,466	737,463	3
Information systems	1,002,968	908,415	908,412	3
Communications	1,954,633	1,841,129	1,840,126	1,003
Patrol	9,603,684	10,089,060	10,089,059	1
Special operations unit	2,467,434	2,489,423	2,489,420	3
Traffic enforcement	1,877,432	1,577,703	1,575,095	2,608
Investigation	3,562,973	3,731,295	3,616,468	114,827
Laboratory	632,715	642,614	616,013	26,601
Auxillary	134,629	134,629	109,635	24,994
Animal control	785,333	801,731	783,051	18,680
Total police	25,992,940	27,487,830	27,299,102	188,728
Fire:				
Administration	1,223,718	1,229,244	1,106,918	122,326
Suppression	6,643,402	6,909,869	6,839,965	69,904
Heartland Fire and Rescue	1,390,288	1,490,837	1,443,990	46,847
Total fire	9,257,408	9,629,950	9,390,873	239,077
Total public safety	35,250,348	37,117,780	36,689,975	427,805

Required Supplementary Information
CITY OF EL CAJON
Budgetary Comparison Schedule
General Fund
For the fiscal year ended June 30, 2014
(continued)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public works:				
Administration	\$ 151,145	\$ 153,826	\$ 135,114	\$ 18,712
Engineering	1,594,435	1,626,794	1,461,848	164,946
Traffic engineering and maintenance	1,422,864	1,434,102	1,286,306	147,796
Street maintenance	596,509	603,623	528,667	74,956
Total public works	<u>3,764,953</u>	<u>3,818,345</u>	<u>3,411,935</u>	<u>406,410</u>
Parks and recreation				
Parks	2,006,794	2,028,175	1,828,507	199,668
Recreation	2,254,670	2,287,937	2,201,439	86,498
Total parks and recreation	<u>4,261,464</u>	<u>4,316,112</u>	<u>4,029,946</u>	<u>286,166</u>
Community development:				
Administration	467,431	478,353	455,038	23,315
Planning	1,142,650	1,171,098	828,549	342,549
Building and fire safety	958,336	988,144	867,174	120,970
Total community development	<u>2,568,417</u>	<u>2,637,595</u>	<u>2,150,761</u>	<u>486,834</u>
Total expenditures	<u>57,960,559</u>	<u>60,108,554</u>	<u>57,441,608</u>	<u>2,666,947</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,441,885</u>	<u>(706,110)</u>	<u>4,653,812</u>	<u>5,359,922</u>
Other financing sources (uses):				
Transfers in	199,982	199,982	179,981	20,001
Transfers out	<u>(5,150,000)</u>	<u>(3,326,708)</u>	<u>(3,326,707)</u>	<u>1</u>
Total other financing sources (uses)	<u>(4,950,018)</u>	<u>(3,126,726)</u>	<u>(3,146,726)</u>	<u>(20,000)</u>
Net change in fund balance	<u>(3,508,133)</u>	<u>(3,832,836)</u>	<u>1,507,086</u>	<u>5,339,922</u>
Fund balance, beginning	<u>25,777,417</u>	<u>25,777,417</u>	<u>25,777,417</u>	<u>-</u>
Fund balance, ending	<u>\$ 22,269,284</u>	<u>\$ 21,944,581</u>	<u>\$ 27,284,503</u>	<u>\$ 5,339,922</u>

CITY OF EL CAJON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2014

1. Budgetary control and accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) by the City Council annually prior to the beginning of the fiscal year. The budget process includes submittal of each department's budget request for the next fiscal year, a detailed review of each department's proposed budget by the City Manager and a final recommended budget that is transmitted to the City Council for its review before the required date of adoption. Once transmitted to the City Council, the proposed budget is made available for inspection. Prior to adoption, a budget workshop meeting is held by the City Council. A public hearing is held to give the public the opportunity to comment upon the proposed budget. Notice of such public hearing is given in a newspaper of general circulation.

The adoption of the budget is accomplished by the approval of a Budget Resolution. Annual budgets are adopted for all governmental funds, except for the City's capital project funds and the CDBG, HOME program, El Cajon Housing Authority, and Various Donations Special Revenue funds. The level of budgetary control is at the department level. For purposes of this requirement, each fund other than the General Fund is considered to be a separate department. The City Manager is authorized to transfer appropriations within a departmental budget. Any appropriations transfers between departments or funds require City Council approval. Appropriations lapse at year-end to the extent that they have not been expended or encumbered.

2. Expenditures in excess of appropriations

There were no departments within the General Fund whose expenditures exceeded appropriations.

3. Public Employees' Retirement System Funded Status

For the convenience of the reader, this information has been incorporated into the Notes to the Financial Statements, Note H, Public Employees' Retirement System.

4. Other Post Employment Benefits Funded Status

For the convenience of the reader, this information has been incorporated into the notes to the basic financial statements, Note J, Other Post Employment Benefits.



Near entrance to City Hall

CITY OF EL CAJON
Combined Balance Sheet
General Fund
June 30, 2014

	General Fund	Emergency Medical Service	Recreation Special Programs	Total
Assets:				
Cash and investments	\$ 27,225,267	\$ -	\$ 526,535	\$ 27,751,802
Receivables:				
Accounts	412,637	279,400	32,691	724,728
Interest	70,479	-	-	70,479
Intergovernmental	113,941	108,042	14,275	236,258
Loans	4,021,800	-	-	4,021,800
Taxes	2,854,931	949	-	2,855,880
Prepaid items	2,616	-	-	2,616
Due from other funds	304,411	-	-	304,411
Total assets	\$ 35,006,082	\$ 388,391	\$ 573,501	\$ 35,967,974
Liabilities:				
Accounts payable	\$ 2,350,426	\$ 43,697	\$ 4,266	\$ 2,398,389
Accrued liabilities	1,057,789	93,247	18,576	1,169,612
Deposits payable	291,564	-	43,515	335,079
Unearned revenue	-	-	116,794	116,794
Total liabilities	3,699,779	136,944	183,151	4,019,874
Deferred inflows of resources				
Deferred inflows	4,021,800	-	-	4,021,800
	4,021,800	-	-	4,021,800
Fund balance				
Nonspendable:				
Prepaid items	2,616	-	-	2,616
Committed	11,415,896	-	-	11,415,896
Assigned:				
Unfunded retirement obligations	3,520,000	-	-	3,520,000
Unassigned	12,345,991	251,447	390,350	12,987,788
Total fund balance	27,284,503	251,447	390,350	27,926,300
Total liabilities, deferred inflows of resources and fund balance	\$ 35,006,082	\$ 388,391	\$ 573,501	\$ 35,967,974

CITY OF EL CAJON
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance
General Fund
For the fiscal year ended June 30, 2014

	General Fund	Emergency Medical Service	Recreation Special Programs	Total
Revenues:				
Charges for services	\$ 2,811,917	\$ 2,908,964	\$ 444,940	\$ 6,165,821
Intergovernmental	788,901	403,669	7,875	1,200,445
Investment earnings	39,033	-	-	39,033
Licenses and permits	1,043,011	-	-	1,043,011
Other	3,656,130	-	76,931	3,733,061
Taxes	53,756,428	385,163	-	54,141,591
Total revenues	<u>62,095,420</u>	<u>3,697,796</u>	<u>529,746</u>	<u>66,322,962</u>
Expenditures:				
Community development	2,150,761	-	-	2,150,761
General government	11,158,991	-	-	11,158,991
Parks and recreation	4,029,946	-	545,312	4,575,258
Public safety	36,689,975	4,634,577	-	41,324,552
Public works	3,411,935	-	-	3,411,935
Total expenditures	<u>57,441,608</u>	<u>4,634,577</u>	<u>545,312</u>	<u>62,621,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,653,812</u>	<u>(936,781)</u>	<u>(15,566)</u>	<u>3,701,465</u>
Other financing sources (uses):				
Transfers in	179,981	826,707	13,800	1,020,488
Transfers out	<u>(3,326,707)</u>	<u>-</u>	<u>(3,000)</u>	<u>(3,329,707)</u>
Total other financing sources (uses)	<u>(3,146,726)</u>	<u>826,707</u>	<u>10,800</u>	<u>(2,309,219)</u>
Net change in fund balance	1,507,086	(110,074)	(4,766)	1,392,246
Fund balance, beginning	<u>25,777,417</u>	<u>361,521</u>	<u>395,116</u>	<u>26,534,054</u>
Fund balance, ending	<u>\$ 27,284,503</u>	<u>\$ 251,447</u>	<u>\$ 390,350</u>	<u>\$ 27,926,300</u>

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance

General Fund - Emergency Medical Service

Budget and Actual

For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 2,859,000	\$ 2,859,000	\$ 2,908,964	\$ 49,964
Intergovernmental	7,000	7,000	403,669	396,669
Taxes	377,000	377,000	385,163	8,163
Total revenues	3,243,000	3,243,000	3,697,796	454,796
Expenditures:				
Current:				
Public safety	4,577,702	4,749,879	4,634,577	115,302
Total expenditures	4,577,702	4,749,879	4,634,577	115,302
Excess (deficiency) of revenues over (under) expenditures	(1,334,702)	(1,506,879)	(936,781)	570,098
Other financing sources:				
Transfers in	1,400,000	1,400,000	826,707	(573,293)
Total other financing sources	1,400,000	1,400,000	826,707	(573,293)
Net change in fund balance	65,298	(106,879)	(110,074)	(3,195)
Fund balance, beginning	361,521	361,521	361,521	-
Fund balance, ending	\$ 426,819	\$ 254,642	\$ 251,447	\$ (3,195)

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance General Fund - Recreation Special Programs Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 462,600	\$ 462,600	\$ 444,940	\$ (17,660)
Intergovernmental	-	-	7,875	7,875
Other	75,550	75,550	76,931	1,381
Total revenues	538,150	538,150	529,746	(8,404)
Expenditures:				
Current:				
Parks and recreation	590,369	642,339	545,312	97,027
Total expenditures	590,369	642,339	545,312	97,027
Excess (deficiency) of revenues over (under) expenditures	(52,219)	(104,189)	(15,566)	88,623
Other financing sources:				
Transfers in	13,800	13,800	13,800	-
Transfers out	-	-	(3,000)	(3,000)
Total other financing sources	13,800	13,800	10,800	(3,000)
Net change in fund balance	(38,419)	(90,389)	(4,766)	85,623
Fund balance, beginning	395,116	395,116	395,116	-
Fund balance, ending	\$ 356,697	\$ 304,727	\$ 390,350	\$ 85,623

CITY OF EL CAJON
Combined Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue Funds	Debt Service Fund El Cajon Public Financing Authority	Capital Projects Funds	Total
Assets:				
Cash and investments	\$ 5,241,930	\$ -	\$ 10,391,887	\$ 15,633,817
Cash and investments with fiscal agent	-	2,657,195	-	2,657,195
Receivables:				
Accounts	41,278	-	7,125	48,403
Interest	2,676	-	323	2,999
Intergovernmental	1,481,206	-	434,851	1,916,057
Loans	9,774,253	-	-	9,774,253
Taxes	30,176	-	-	30,176
Prepaid items	2,078	-	-	2,078
Total assets	\$ 16,573,597	\$ 2,657,195	\$ 10,834,186	\$ 30,064,978
Liabilities:				
Accounts payable	\$ 198,255	\$ -	\$ 556,720	\$ 754,975
Accrued liabilities	21,910	-	-	21,910
Due to other funds	126,778	-	177,633	304,411
Total liabilities	346,943	-	734,353	1,081,296
Deferred inflows of resources				
Deferred inflows	941,626	-	-	941,626
	941,626	-	-	941,626
Fund balance				
Nonspendable:				
Prepaid items	2,078	-	-	2,078
Restricted:				
Animal shelter	39,527	-	-	39,527
Animal shelter project	244,497	-	-	244,497
Community development	686,017	-	-	686,017
Debt service	-	2,657,195	-	2,657,195
Loans receivable	9,774,253	-	-	9,774,253
Public safety	1,476,628	-	-	1,476,628
Public works projects	306,491	-	-	306,491
RTCIP impact fee	-	-	189,280	189,280
Streets projects	2,797,927	-	-	2,797,927
Assigned:				
Capital projects	-	-	9,910,553	9,910,553
Unassigned	(42,390)	-	-	(42,390)
Total fund balance	15,285,028	2,657,195	10,099,833	28,042,056
Total liabilities and fund balance	\$ 16,573,597	\$ 2,657,195	\$ 10,834,186	\$ 30,064,978

CITY OF EL CAJON
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Governmental Funds
For the fiscal year ended June 30, 2014

	Special Revenue Funds	Debt Service Fund El Cajon Public Financing Authority	Capital Projects Funds	Total
Revenues:				
Intergovernmental	\$ 5,555,737	\$ -	\$ 597,180	\$ 6,152,917
Investment earnings	15,531	14,777	973	31,281
Other	41,378	-	582,193	623,571
Taxes	-	-	2,022,716	2,022,716
Total revenues	<u>5,612,646</u>	<u>14,777</u>	<u>3,203,062</u>	<u>8,830,485</u>
Expenditures:				
Current:				
Community development	582,105	-	-	582,105
Parks and recreation	-	-	59,678	59,678
Public safety	434,322	-	-	434,322
Public works	1,784,482	-	-	1,784,482
Capital outlay	561,426	-	5,741,749	6,303,175
Debt service:				
Interest	20,004	772,600	-	792,604
Principal	57,000	7,130,000	-	7,187,000
Total expenditures	<u>3,439,339</u>	<u>7,902,600</u>	<u>5,801,427</u>	<u>17,143,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,173,307</u>	<u>(7,887,823)</u>	<u>(2,598,365)</u>	<u>(8,312,881)</u>
Other financing sources (uses):				
Transfers in	-	7,902,600	7,178,282	15,080,882
Transfers out	<u>(1,804,306)</u>	<u>-</u>	<u>(2,930,972)</u>	<u>(4,735,278)</u>
Total other financing sources (uses)	<u>(1,804,306)</u>	<u>7,902,600</u>	<u>4,247,310</u>	<u>10,345,604</u>
Net change in fund balance	369,001	14,777	1,648,945	2,032,723
Fund balance, beginning	<u>14,916,027</u>	<u>2,642,418</u>	<u>8,450,888</u>	<u>26,009,333</u>
Fund balance, ending	<u>\$ 15,285,028</u>	<u>\$ 2,657,195</u>	<u>\$ 10,099,833</u>	<u>\$ 28,042,056</u>

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Gas Tax - This fund accounts for state funds for preventive maintenance and repair of qualifying city streets.

Transit - This fund accounts for transit monies received under the Transportation Development Act.

Federal/County Asset Forfeiture - This fund accounts for asset forfeiture revenues and expenditures.

Local Public Safety - This fund accounts for allocation of the state's sales tax revenue (Proposition 172) to be used for public safety, including sheriffs, police and fire protection.

Federal, State and Local Grants - This fund accounts for various federal, state and local grants.

Housing In-Lieu Fees - This fund accounts for in-lieu fees received from developers as an alternative to constructing the affordable housing units. These funds will be utilized by the City to support the development of affordable housing units.

CDBG (Community Development Block Grants) - This fund accounts for federal grants for public facilities, capital improvements, and public services. This fund is not annually budgeted because fund activities are of a long-term basis.

HOME - This fund accounts for federal grants to support local affordable housing initiatives under the Home Investment Partnership Program. This fund is not annually budgeted because its fund activities (housing loans), are of a long-term basis.

Various Donations - This fund accounts for various donations received used to pay for specific functions and/or programs of the city. This fund is not annually budgeted because donations vary greatly from year to year.

CITY OF EL CAJON
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2014

	Budgeted			
	Gas Tax	Transit	Federal/ County Asset Forfeiture	Local Public Safety
Assets:				
Cash and investments	\$ 2,560,192	\$ -	\$ 347,909	\$ 702,869
Receivables:				
Accounts	-	-	-	-
Interest	-	-	495	1,075
Intergovernmental	300,614	1,032,509	-	-
Loans	-	-	-	-
Taxes	-	-	-	30,176
Prepaid items	-	-	-	-
Total assets	\$ 2,860,806	\$ 1,032,509	\$ 348,404	\$ 734,120
Liabilities:				
Accounts payable	\$ 43,002	\$ 38,840	\$ 1,441	\$ 19,274
Accrued liabilities	19,877	2,033	-	-
Due to other funds	-	92,400	-	-
Total liabilities	62,879	133,273	1,441	19,274
Deferred inflows of resources				
Unavailable Revenue-	-	941,626	-	-
	-	941,626	-	-
Fund balance				
Nonspendable				
Prepaid items	-	-	-	-
Restricted:				
Animal shelter	-	-	-	-
Animal shelter project	-	-	-	-
Community development	-	-	-	-
Loans receivable	-	-	-	-
Public safety	-	-	346,963	714,846
Public works projects	-	-	-	-
Streets projects	2,797,927	-	-	-
Unassigned	-	(42,390)	-	-
Total fund balance	2,797,927	(42,390)	346,963	714,846
Total liabilities and fund balance	\$ 2,860,806	\$ 1,032,509	\$ 348,404	\$ 734,120

Budgeted		Unbudgeted			Total Non-Major Special Revenue Funds
Federal, State, and Local Grants	Housing In Lieu Fees	CDBG	HOME	Various Donations	
\$ 705,370	\$ 284,985	\$ -	\$ 353,522	\$ 287,083	\$ 5,241,930
41,278	-	-	-	-	41,278
702	404	-	-	-	2,676
-	-	130,790	17,293	-	1,481,206
474,174	-	354,342	8,945,737	-	9,774,253
-	-	-	-	-	30,176
-	-	1,039	1,039	-	2,078
<u>\$ 1,221,524</u>	<u>\$ 285,389</u>	<u>\$ 486,171</u>	<u>\$ 9,317,591</u>	<u>\$ 287,083</u>	<u>\$ 16,573,597</u>
\$ 22,485	\$ -	\$ 69,855	\$ 3,358	\$ -	\$ 198,255
-	-	-	-	-	21,910
3,555	-	30,823	-	-	126,778
<u>26,040</u>	<u>-</u>	<u>100,678</u>	<u>3,358</u>	<u>-</u>	<u>346,943</u>
-	-	-	-	-	941,626
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,626</u>
-	-	1,039	1,039	-	2,078
-	-	-	-	39,527	39,527
-	-	-	-	244,497	244,497
-	285,389	30,112	367,457	3,059	686,017
474,174	-	354,342	8,945,737	-	9,774,253
414,819	-	-	-	-	1,476,628
306,491	-	-	-	-	306,491
-	-	-	-	-	2,797,927
-	-	-	-	-	(42,390)
<u>1,195,484</u>	<u>285,389</u>	<u>385,493</u>	<u>9,314,233</u>	<u>287,083</u>	<u>15,285,028</u>
<u>\$ 1,221,524</u>	<u>\$ 285,389</u>	<u>\$ 486,171</u>	<u>\$ 9,317,591</u>	<u>\$ 287,083</u>	<u>\$ 16,573,597</u>

CITY OF EL CAJON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds
For the fiscal year ended June 30, 2014

	Budgeted			
	Gas Tax	Transit	Federal/ County Asset Forfeiture	Local Public Safety
Revenues:				
Intergovernmental	\$ 3,159,330	\$ 92,026	\$ -	\$ 385,269
Investment earnings	2,107	831	1,373	2,945
Other	-	-	35,195	-
Total revenues	<u>3,161,437</u>	<u>92,857</u>	<u>36,568</u>	<u>388,214</u>
Expenditures:				
Current:				
Community development	-	-	-	-
Public safety	-	-	110,601	27,685
Public works	1,613,567	170,915	-	-
Capital outlay	77,005	142,582	66,426	136,553
Debt service:				
Interest	-	-	-	-
Principal	-	-	-	-
Total expenditures	<u>1,690,572</u>	<u>313,497</u>	<u>177,027</u>	<u>164,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,470,865</u>	<u>(220,640)</u>	<u>(140,459)</u>	<u>223,976</u>
Other financing (uses):				
Transfers out	<u>(488,000)</u>	<u>(720,308)</u>	<u>-</u>	<u>(120,000)</u>
Total other financing (uses)	<u>(488,000)</u>	<u>(720,308)</u>	<u>-</u>	<u>(120,000)</u>
Net change in fund balances	982,865	(940,948)	(140,459)	103,976
Fund balances, beginning	<u>1,815,062</u>	<u>898,558</u>	<u>487,422</u>	<u>610,870</u>
Fund balances, ending	<u>\$ 2,797,927</u>	<u>\$ (42,390)</u>	<u>\$ 346,963</u>	<u>\$ 714,846</u>

Budgeted		Unbudgeted			Total Non-Major Special Revenue Funds
Federal, State, and Local Grants	Housing In Lieu Fees	CDBG	HOME	Various Donations	
\$ 896,058	\$ -	\$ 981,337	\$ 41,717	\$ -	\$ 5,555,737
1,596	1,103	-	5,576	-	15,531
-	-	143	1,735	4,305	41,378
<u>897,654</u>	<u>1,103</u>	<u>981,480</u>	<u>49,028</u>	<u>4,305</u>	<u>5,612,646</u>
-	-	463,983	118,122	-	582,105
296,036	-	-	-	-	434,322
-	-	-	-	-	1,784,482
138,860	-	-	-	-	561,426
-	-	20,004	-	-	20,004
-	-	57,000	-	-	57,000
<u>434,896</u>	<u>-</u>	<u>540,987</u>	<u>118,122</u>	<u>-</u>	<u>3,439,339</u>
<u>462,758</u>	<u>1,103</u>	<u>440,493</u>	<u>(69,094)</u>	<u>4,305</u>	<u>2,173,307</u>
<u>(80,449)</u>	<u>-</u>	<u>(395,549)</u>	<u>-</u>	<u>-</u>	<u>(1,804,306)</u>
<u>(80,449)</u>	<u>-</u>	<u>(395,549)</u>	<u>-</u>	<u>-</u>	<u>(1,804,306)</u>
382,309	1,103	44,944	(69,094)	4,305	369,001
<u>813,175</u>	<u>284,286</u>	<u>340,549</u>	<u>9,383,327</u>	<u>282,778</u>	<u>14,916,027</u>
<u>\$ 1,195,484</u>	<u>\$ 285,389</u>	<u>\$ 385,493</u>	<u>\$ 9,314,233</u>	<u>\$ 287,083</u>	<u>\$ 15,285,028</u>

CITY OF EL CAJON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Gas Tax Special Revenue Fund
Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 2,916,295	\$ 2,916,295	\$ 3,159,330	\$ 243,035
Investment earnings	3,000	3,000	2,107	(893)
Other	7,500	7,500	-	(7,500)
Total revenues	2,926,795	2,926,795	3,161,437	234,642
Expenditures:				
Current:				
Public works	1,972,689	2,004,409	1,613,567	390,842
Capital outlay	103,200	103,200	77,005	26,195
Total expenditures	2,075,889	2,107,609	1,690,572	417,037
Excess (deficiency) of revenues over (under) expenditures	850,906	819,186	1,470,865	651,679
Other financing sources (uses):				
Transfers out	(300,000)	(500,000)	(488,000)	12,000
Total other financing sources (uses)	(300,000)	(500,000)	(488,000)	12,000
Net change in fund balance	550,906	319,186	982,865	663,679
Fund balance, beginning	1,815,062	1,815,062	1,815,062	-
Fund balance, ending	\$ 2,365,968	\$ 2,134,248	\$ 2,797,927	\$ 663,679

CITY OF EL CAJON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Transit Special Revenue Fund
Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 1,266,094	\$ 1,266,094	\$ 92,026	\$ (1,174,068)
Investment earnings	1,000	1,000	831	(169)
Total revenues	1,267,094	1,267,094	92,857	(1,174,237)
Expenditures:				
Current:				
Public works	223,466	210,558	170,915	39,643
Capital outlay	251,400	251,400	142,582	108,818
Total expenditures	474,866	461,958	313,497	148,461
Excess (deficiency) of revenues over (under) expenditures	792,228	805,136	(220,640)	(1,025,776)
Other financing sources:				
Transfers out	(975,000)	(975,000)	(720,308)	254,692
Total other financing sources	(975,000)	(975,000)	(720,308)	254,692
Net change in fund balance	(182,772)	(169,864)	(940,948)	(771,084)
Fund balance, beginning	898,558	898,558	898,558	-
Fund balance, ending	\$ 715,786	\$ 728,694	\$ (42,390)	\$ (771,084)

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance Federal/County Asset Forfeiture Special Revenue Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 1,200	\$ 1,200	\$ 1,373	\$ 173
Other	41,000	41,000	35,195	(5,805)
Total revenues	42,200	42,200	36,568	(5,632)
Expenditures:				
Current:				
Public safety	150,528	148,979	110,601	38,378
Capital outlay	106,145	107,695	66,426	41,269
Total expenditures	256,673	256,674	177,027	79,647
Net change in fund balance	(214,473)	(214,474)	(140,459)	74,015
Fund balance, beginning	487,422	487,422	487,422	-
Fund balance, ending	\$ 272,949	\$ 272,948	\$ 346,963	\$ 74,015

CITY OF EL CAJON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Local Public Safety Special Revenue Fund
Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 340,000	\$ 340,000	\$ 385,269	\$ 45,269
Investment earnings	1,700	1,700	2,945	1,245
Total revenues	341,700	341,700	388,214	46,514
Expenditures:				
Current:				
Public safety	27,840	27,840	27,685	155
Capital outlay	174,500	174,500	136,553	37,947
Total expenditures	202,340	202,340	164,238	38,102
Excess (deficiency) of revenues over (under) expenditures	139,360	139,360	223,976	84,616
Other financing sources (uses):				
Transfers out	(336,000)	(336,000)	(120,000)	216,000
Total other financing sources (uses)	(336,000)	(336,000)	(120,000)	216,000
Net change in fund balance	(196,640)	(196,640)	103,976	300,616
Fund balance, beginning	610,870	610,870	610,870	-
Fund balance, ending	\$ 414,230	\$ 414,230	\$ 714,846	\$ 300,616

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance Federal, State, and Local Grants Special Revenue Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 651,133	\$ 871,898	\$ 896,058	\$ 24,160
Investment earnings	450	450	1,596	1,146
Total revenues	651,583	872,348	897,654	25,306
Expenditures:				
Current:				
Public safety	348,053	502,808	296,036	206,772
Public works	91,914	91,914	-	91,914
Capital outlay	194,325	249,735	138,860	110,875
Total expenditures	634,292	844,457	434,896	409,561
Excess (deficiency) of revenues over (under) expenditures	17,291	27,891	462,758	434,867
Other financing sources (uses):				
Transfers out	(123,621)	(123,621)	(80,449)	43,172
Total other financing sources (uses)	(123,621)	(123,621)	(80,449)	43,172
Net change in fund balance	(106,330)	(95,730)	382,309	478,039
Fund balance, beginning	813,175	813,175	813,175	-
Fund balance, ending	\$ 706,845	\$ 717,445	\$ 1,195,484	\$ 478,039

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance Housing In Lieu Fees Special Revenue Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 800	\$ 800	\$ 1,103	\$ 303
Total revenues	800	800	1,103	303
Expenditures:				
Capital outlay	282,772	282,772	-	282,772
Total expenditures	282,772	282,772	-	282,772
Net change in fund balance	(281,972)	(281,972)	1,103	283,075
Fund balance, beginning	284,286	284,286	284,286	-
Fund balance, ending	\$ 2,314	\$ 2,314	\$ 285,389	\$ 283,075



Fire Station 8

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of general long-term debt principal and interest.

NON-MAJOR DEBT SERVICE FUND

El Cajon Public Financing Authority - This fund accounts for the monies to be utilized for the payment of revenue bonds which are financed by 1/2% sales tax revenues received by the City pursuant to Proposition O, passed by the voters in November 2004.

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for this fund are displayed on pages G-5 and G-6 as it is the sole debt service fund.

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance El Cajon Public Financing Authority Debt Service Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Investment earnings	\$ 20,000	\$ 20,000	\$ 14,777	\$ (5,223)
Total revenues	20,000	20,000	14,777	(5,223)
Expenditures:				
Debt service:				
Interest	772,600	772,600	772,600	-
Principal	7,130,000	7,130,000	7,130,000	-
Total expenditures	7,902,600	7,902,600	7,902,600	-
Excess (deficiency) of revenues over (under) expenditures	(7,882,600)	(7,882,600)	(7,887,823)	(5,223)
Other financing sources:				
Transfers in	7,902,600	7,902,600	7,902,600	-
Total other financing sources	7,902,600	7,902,600	7,902,600	-
Net change in fund balance	20,000	20,000	14,777	(5,223)
Fund balance, beginning	2,642,418	2,642,418	2,642,418	-
Fund balance, ending	\$ 2,662,418	\$ 2,662,418	\$ 2,657,195	\$ (5,223)

MAJOR CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). The following Capital Projects Funds have been classified as major funds in the accompanying financial statements and budgetary to actual comparison schedules are presented.

Public Safety Facilities - This fund was established to account for activities associated with the construction of a new public safety center and animal shelter, as well as upgrades to existing fire stations. These projects are funded by a ½% sales tax that was approved by voters in November 2004 and will be in place for ten years.

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance Public Safety Facilities Project Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 50,000	\$ 50,000	\$ 56,324	\$ 6,324
Other	-	-	401,334	401,334
Taxes	8,550,000	8,550,000	8,447,073	(102,927)
Total revenues	8,600,000	8,600,000	8,904,731	304,731
Expenditures:				
Capital outlay	2,342,551	2,343,367	140,747	2,202,620
Total expenditures	2,342,551	2,343,367	140,747	2,202,620
Excess (deficiency) of revenues over (under) expenditures	6,257,449	6,256,633	8,763,984	2,507,351
Other financing sources (uses):				
Transfers out	(7,902,600)	(7,902,600)	(7,902,600)	-
Total other financing sources (uses)	(7,902,600)	(7,902,600)	(7,902,600)	-
Net change in fund balance	(1,645,151)	(1,645,967)	861,384	2,507,351
Fund balance, beginning	17,539,456	17,539,456	18,957,380	1,417,924
Fund balance, ending	<u>\$ 15,894,305</u>	<u>\$ 15,893,489</u>	<u>\$ 19,818,764</u>	<u>\$ 3,925,275</u>

NON-MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). The following Capital Projects Funds have been classified as non-major funds in the accompanying financial statements.

Public Works Projects - This fund was created to account for research, planning, construction, improvement, maintenance, and operation of public streets and highways and their related public facilities for non-motorized traffic.

Parks and Recreation Improvement Grants - This fund was established to account for state grants to repair and improve City recreational facilities.

Parks Impact Fees - This fund was established to account for City financed park and recreational improvements financed with park impact fees.

City Capital Improvement Program - This fund was established to account for repairs, improvements and the preservation of City owned facilities and equipment, additional public buildings and the acquisition of land.

Transportation Projects - This fund was established to account for major street construction projects funded through TransNet (½% special sales tax), Specific Street Obligations, and Gas Tax. Expenditures in this fund are restricted to improvements in the City's transit and street system.

CITY OF EL CAJON
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2014

	Public Works Projects	Parks and Recreation Improvement Grants	Parks Impact Fees	City Capital Improvement Program	Transportation Projects	Total Non-major Capital Projects Funds
Assets:						
Cash and investments	\$ 193,690	\$ 4	\$ 45,749	\$ 9,546,102	\$ 606,342	\$ 10,391,887
Receivables:						
Accounts	-	-	-	-	7,125	7,125
Interest	260	-	63	-	-	323
Intergovernmental	262,221	-	-	-	172,630	434,851
Total assets	<u>\$456,171</u>	<u>\$ 4</u>	<u>\$45,812</u>	<u>\$ 9,546,102</u>	<u>\$ 786,097</u>	<u>\$ 10,834,186</u>
Liabilities:						
Accounts payable	\$266,891	\$ 4	\$ -	\$ 219,271	\$ 70,554	\$ 556,720
Due to other funds	-	-	-	-	177,633	177,633
Total liabilities	<u>266,891</u>	<u>4</u>	<u>-</u>	<u>219,271</u>	<u>248,187</u>	<u>734,353</u>
Fund balance						
Restricted:						
RTCIP impact fee	189,280	-	-	-	-	189,280
Assigned:						
Capital projects	-	-	45,812	9,326,831	537,910	9,910,553
Total fund balance	<u>189,280</u>	<u>-</u>	<u>45,812</u>	<u>9,326,831</u>	<u>537,910</u>	<u>10,099,833</u>
Total liabilities and fund balance	<u>\$456,171</u>	<u>\$ 4</u>	<u>\$45,812</u>	<u>\$ 9,546,102</u>	<u>\$ 786,097</u>	<u>\$ 10,834,186</u>

CITY OF EL CAJON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Capital Projects Funds
For the fiscal year ended June 30, 2014

	Public Works Projects	Parks and Recreation Improvement Grants	Parks Impact Fees	City Capital Improvement Program	Transportation Projects	Total Non-major Capital Projects Funds
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 597,180	\$ 597,180
Investment earnings	625	-	152	-	196	973
Other	410,460	-	-	66,500	105,233	582,193
Taxes	-	-	9,716	-	2,013,000	2,022,716
Total revenues	411,085	-	9,868	66,500	2,715,609	3,203,062
Expenditures:						
Current:						
Parks and recreation	-	59,678	-	-	-	59,678
Capital outlay	4,828,493	71,914	-	841,342	-	5,741,749
Total expenditures	4,828,493	131,592	-	841,342	-	5,801,427
Excess (deficiency) of revenues over (under) expenditures	(4,417,408)	(131,592)	9,868	(774,842)	2,715,609	(2,598,365)
Other financing sources (uses):						
Transfers in	4,468,840	131,592	-	2,577,850	-	7,178,282
Transfers out	-	-	-	(136,812)	(2,794,160)	(2,930,972)
Total other financing sources (uses)	4,468,840	131,592	-	2,441,038	(2,794,160)	4,247,310
Net change in fund balance	51,432	-	9,868	1,666,196	(78,551)	1,648,945
Fund balance, beginning	137,848	-	35,944	7,660,635	616,461	8,450,888
Fund balance, ending	<u>\$ 189,280</u>	<u>\$ -</u>	<u>\$ 45,812</u>	<u>\$ 9,326,831</u>	<u>\$ 537,910</u>	<u>\$ 10,099,833</u>

CITY OF EL CAJON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Public Works Projects Fund
Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 625	\$ 325
Other	2,057,142	2,057,142	410,460	(1,646,682)
Total revenues	2,057,442	2,057,442	411,085	(1,646,357)
Expenditures:				
Capital outlay	10,361,171	10,706,574	4,828,493	5,878,081
Total expenditures	10,361,171	10,706,574	4,828,493	5,878,081
Excess (deficiency) of revenues over (under) expenditures	(8,303,729)	(8,649,132)	(4,417,408)	4,231,724
Other financing sources (uses):				
Transfers in	8,359,229	8,704,632	4,468,840	(4,235,792)
Transfers out	(90,000)	(90,000)	-	90,000
Total other financing sources (uses)	8,269,229	8,614,632	4,468,840	(4,145,792)
Net change in fund balance	(34,500)	(34,500)	51,432	85,932
Fund balance, beginning	137,848	137,848	137,848	-
Fund balance, ending	<u>\$ 103,348</u>	<u>\$ 103,348</u>	<u>\$ 189,280</u>	<u>\$ 85,932</u>

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance Parks and Recreation Improvement Grants Project Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Parks and recreation	120,500	146,000	59,678	86,322
Capital outlay	362,463	356,963	71,914	285,049
Total expenditures	482,963	502,963	131,592	371,371
Excess (deficiency) of revenues over (under) expenditures	(482,963)	(502,963)	(131,592)	371,371
Other financing sources:				
Transfers in	482,963	482,963	131,592	(351,371)
Total other financing sources	482,963	482,963	131,592	(351,371)
Net change in fund balance	-	(20,000)	-	20,000
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ (20,000)	\$ -	\$ 20,000

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance Park Impact Fees Project Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 152	\$ 52
Taxes	15,900	15,900	9,716	(6,184)
Total revenues	16,000	16,000	9,868	(6,132)
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	16,000	16,000	9,868	(6,132)
Fund balance, beginning	35,944	35,944	35,944	-
Fund balance, ending	<u>\$ 51,944</u>	<u>\$ 51,944</u>	<u>\$ 45,812</u>	<u>\$ (6,132)</u>

CITY OF EL CAJON

Schedule of Revenues, Expenditures and Changes in Fund Balance City Capital Improvement Program Project Fund Budget and Actual For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Other	\$ 168,253	\$ 168,253	\$ 66,500	\$ (101,753)
Total revenues	168,253	168,253	66,500	(101,753)
Expenditures:				
Capital outlay	8,717,878	8,717,878	841,342	7,876,536
Total expenditures	8,717,878	8,717,878	841,342	7,876,536
Excess (deficiency) of revenues over (under) expenditures	(8,549,625)	(8,549,625)	(774,842)	7,774,783
Other financing sources (uses):				
Transfers in	2,873,500	2,873,500	2,577,850	(295,650)
Transfers out	(519,178)	(519,178)	(136,812)	382,366
Total other financing sources (uses)	2,354,322	2,354,322	2,441,038	86,716
Net change in fund balance	(6,195,303)	(6,195,303)	1,666,196	7,861,499
Fund balance, beginning	7,660,635	7,660,635	7,660,635	-
Fund balance, ending	\$ 1,465,332	\$ 1,465,332	\$ 9,326,831	\$ 7,861,499

CITY OF EL CAJON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Transportation Projects Fund
Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,379,773	\$ 2,379,773	\$ 597,180	\$ (1,782,593)
Investment earnings	1,200	1,200	196	(1,004)
Other	327,000	327,000	105,233	(221,767)
Taxes	3,868,825	3,868,825	2,013,000	(1,855,825)
Total revenues	6,576,798	6,576,798	2,715,609	(3,861,189)
Other financing sources (uses):				
Transfers out	(6,624,828)	(6,624,828)	(2,794,160)	3,830,668
Total other financing sources (uses)	(6,624,828)	(6,624,828)	(2,794,160)	3,830,668
Net change in fund balance	(48,030)	(48,030)	(78,551)	(30,521)
Fund balance, beginning	616,461	616,461	616,461	-
Fund balance, ending	\$ 568,431	\$ 568,431	\$ 537,910	\$ (30,521)

ENTERPRISE FUND

Enterprise Funds are used to account for activities where fees are charged to external users for goods or services.

Wastewater - This fund accounts for the sanitary sewer disposal and maintenance of the City's sewer lines and related facilities. It is a self-supporting activity that provides services on a user charge basis to residences and businesses.

The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows for this fund are displayed on pages D-5, D-6, and D-7 as it is the sole enterprise fund.

CITY OF EL CAJON
Schedule of Revenues, Expenditures and Changes in Net Position
Wastewater Enterprise Fund
Budget and Actual
For the fiscal year ended June 30, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Operating revenues:				
Charges for services	\$ 15,311,000	\$ 15,311,000	\$ 15,356,078	\$ 45,078
Fines	6,000	6,000	6,950	950
Licenses and permits	5,000	5,000	50	(4,950)
Total operating revenues	15,322,000	15,322,000	15,363,078	41,078
Operating expenses:				
Salaries and benefits	3,094,692	3,161,375	2,899,188	262,187
Materials, services and supplies	16,405,794	16,721,039	12,750,115	3,970,924
Depreciation	-	-	1,728,817	(1,728,817)
Total operating expenses	19,500,486	19,882,414	17,378,120	2,504,294
Operating (loss)	(4,178,486)	(4,560,414)	(2,015,042)	2,545,372
Non-operating revenues (expenses):				
Investment earnings	50,000	50,000	42,103	(7,897)
Other	-	-	4,014	4,014
Total non-operating revenues	50,000	50,000	46,117	(3,883)
(Loss) before operating transfers	(4,128,486)	(4,510,414)	(1,968,925)	2,541,489
Operating transfers:				
Transfers out	(283,500)	(283,500)	(145,863)	137,637
Total operating transfers	(283,500)	(283,500)	(145,863)	137,637
Change in net position	(4,411,986)	(4,793,914)	(2,114,788)	2,679,126
Net position, beginning	55,117,046	55,117,046	55,117,046	-
Net position, ending	\$ 50,705,060	\$ 50,323,132	\$ 53,002,258	\$ 2,679,126

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one fund, or department, to other funds, or departments, on a cost-reimbursement basis.

Vehicle Maintenance - This fund accounts for maintenance and operating expenses of the City's automotive and equipment fleets.

Vehicle and Equipment Replacement - This fund accounts for the replacement of the City's automotive and equipment fleets.

Self-Insurance - This fund accounts for liability insurance premiums, payment of claims and to establish reserves against future claims.

IT Replacement - This fund accounts for the replacement of the City's information technology equipment.

Other Post-Employment Benefits - This fund accounts for post-employment benefits of the City including annual required contribution in accordance with GASB Statement 45 and terminal conversions of vacation and sick time.

CITY OF EL CAJON
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	<u>Vehicle Maintenance</u>	<u>Vehicle and Equipment Replacement</u>	<u>Self Insurance</u>	<u>IT Replacement</u>	<u>Other Post Employment Benefits</u>	<u>Total</u>
Assets:						
Current assets:						
Cash and investments	\$ 646,252	\$ 3,626,585	\$ 4,629,583	\$ 1,477,886	\$ 574,626	\$ 10,954,932
Accounts receivable	-	-	-	-	10,365	10,365
Total current assets	<u>646,252</u>	<u>3,626,585</u>	<u>4,629,583</u>	<u>1,477,886</u>	<u>584,991</u>	<u>10,965,297</u>
Non-current assets:						
Capital assets, being depreciated net:						
Machinery and equipment	4,893	3,862	-	5,530	-	14,285
Vehicles	-	3,433,792	-	-	-	3,433,792
Total non-current assets	<u>4,893</u>	<u>3,437,654</u>	<u>-</u>	<u>5,530</u>	<u>-</u>	<u>3,448,077</u>
Total assets	<u>\$ 651,145</u>	<u>\$ 7,064,239</u>	<u>\$ 4,629,583</u>	<u>\$ 1,483,416</u>	<u>\$ 584,991</u>	<u>\$ 14,413,374</u>
Liabilities:						
Current liabilities:						
Accounts payable	\$ 101,153	\$ 63,125	\$ 23,292	\$ 23,011	\$ -	\$ 210,581
Accrued liabilities	17,814	-	2,904	-	-	20,718
Claims payable-current	-	-	400,000	-	-	400,000
Compensated absences	32,521	-	-	-	-	32,521
Total current liabilities	<u>151,488</u>	<u>63,125</u>	<u>426,196</u>	<u>23,011</u>	<u>-</u>	<u>663,820</u>
Non-current liabilities:						
Claims payable	-	-	1,485,283	-	-	1,485,283
Compensated absences	97,564	-	-	-	-	97,564
Total non-current liabilities	<u>97,564</u>	<u>-</u>	<u>1,485,283</u>	<u>-</u>	<u>-</u>	<u>1,582,847</u>
Total liabilities	<u>249,052</u>	<u>63,125</u>	<u>1,911,479</u>	<u>23,011</u>	<u>-</u>	<u>2,246,667</u>
Net position:						
Net investment in capital assets	4,893	3,437,654	-	5,530	-	3,448,077
Unrestricted	<u>397,200</u>	<u>3,563,460</u>	<u>2,718,104</u>	<u>1,454,875</u>	<u>584,991</u>	<u>8,718,630</u>
Total net position	<u>\$ 402,093</u>	<u>\$ 7,001,114</u>	<u>\$ 2,718,104</u>	<u>\$ 1,460,405</u>	<u>\$ 584,991</u>	<u>\$ 12,166,707</u>

CITY OF EL CAJON
Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Funds
For the fiscal year ended June 30, 2014

	Vehicle Maintenance	Vehicle and Equipment Replacement	Self Insurance	IT Replacement	Other Post Employment Benefits	Total
Operating revenues:						
Charges for services	\$ 2,552,088	\$ 846,296	\$ 760,068	\$ 500,000	\$ 1,099,992	\$ 5,758,444
Total operating revenues	2,552,088	846,296	760,068	500,000	1,099,992	5,758,444
Operating expenses:						
Salaries and benefits	676,086	-	121,096	-	859,668	1,656,850
Materials, services and supplies	1,567,765	171,505	208,714	607,812	7,200	2,562,996
Insurance claims/premiums	-	-	590,575	-	-	590,575
Depreciation	1,468	658,779	-	6,032	-	666,279
Total operating expenses	2,245,319	830,284	920,385	613,844	866,868	5,476,700
Operating income (loss)	306,769	16,012	(160,317)	(113,844)	233,124	281,744
Non-operating revenues (expenses):						
Other revenue	-	-	8,650	-	21,152	29,802
Gain on disposal of machinery and equipment	-	31,553	-	-	-	31,553
Total non-operating revenues	-	31,553	8,650	-	21,152	61,355
Income before operating transfers	306,769	47,565	(151,667)	(113,844)	254,276	343,099
Operating transfers:						
Transfers in	-	12,078	-	-	-	12,078
Total operating transfers	-	12,078	-	-	-	12,078
Change in net position	306,769	59,643	(151,667)	(113,844)	254,276	355,177
Net position, beginning	95,324	6,941,471	2,869,771	1,574,249	330,715	11,811,530
Net position, ending	\$ 402,093	\$ 7,001,114	\$ 2,718,104	\$ 1,460,405	\$ 584,991	\$ 12,166,707

CITY OF EL CAJON
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2014

	Vehicle Maintenance	Vehicle and Equipment Replacement	Self Insurance	IT Replacement	Other Post Employment Benefits	Total
Cash flows from operating activities:						
Receipts from charges to other funds	\$ 2,552,088	\$ 846,296	\$ 760,068	\$ 500,000	\$ 1,089,627	\$ 5,748,079
Payments to suppliers	(1,528,486)	(148,996)	(822,267)	(605,936)	(7,200)	(3,112,885)
Payments to employees	(670,709)	-	(120,761)	-	(859,668)	(1,651,138)
Net cash provided by (used for) operating activities	352,893	697,300	(182,960)	(105,936)	222,759	984,056
Cash flows from noncapital financing activities:						
Transfer in from other funds	-	12,078	-	-	-	12,078
Other revenue	-	-	8,650	-	21,152	29,802
Net cash provided by noncapital financing activities	-	12,078	8,650	-	21,152	41,880
Cash flows from capital and related financing activities:						
Acquisitions of vehicles and equipment	-	(464,202)	-	-	-	(464,202)
Proceeds from sale of vehicles and equipment	-	31,553	-	-	-	31,553
Net cash (used for) capital and related financing activities	-	(432,649)	-	-	-	(432,649)
Net increase (decrease) in cash and cash equivalents	352,893	276,729	(174,310)	(105,936)	243,911	593,287
Cash and cash equivalents, beginning	293,359	3,349,856	4,803,893	1,583,822	330,715	10,361,645
Cash and cash equivalents, ending	<u>\$ 646,252</u>	<u>\$ 3,626,585</u>	<u>\$ 4,629,583</u>	<u>\$ 1,477,886</u>	<u>\$ 574,626</u>	<u>\$ 10,954,932</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	<u>\$ 306,769</u>	<u>\$ 16,012</u>	<u>\$ (160,317)</u>	<u>\$ (113,844)</u>	<u>\$ 233,124</u>	<u>\$ 281,744</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	1,468	658,779	-	6,032	-	666,279
Changes in current assets and liabilities:						
(Increase) in accounts receivable	-	-	-	-	(10,365)	(10,365)
Increase (decrease) in accounts payable	39,279	22,509	(22,978)	1,876	-	40,686
Increase in accrued liabilities	4,461	-	335	-	-	4,796
Increase in compensated absences payable	916	-	-	-	-	916
Total adjustments	46,124	681,288	(22,643)	7,908	(10,365)	702,312
Net cash provided by (used for) operating activities	<u>\$ 352,893</u>	<u>\$ 697,300</u>	<u>\$ (182,960)</u>	<u>\$ (105,936)</u>	<u>\$ 222,759</u>	<u>\$ 984,056</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a purely custodial capacity for other funds, governments or individuals.

AGENCY FUNDS:

Miscellaneous Deposits - These funds account for various types of deposits.

Heartland Communication Facility Authority - This fund accounts for activities to provide emergency call receiving and dispatching services to participating agencies.

Heartland Fire Training Authority - This fund accounts for activities of fire fighting and training of personnel for the participating agencies.

PRIVATE-PURPOSE TRUST FUND:

Successor Agency to the Former El Cajon Redevelopment Agency - This fund accounts for the operations and timely dissolution of the former Redevelopment Agency.

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position for this fund are displayed on pages D-8 and D-9 as it is the sole private purpose trust fund.

CITY OF EL CAJON
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

	Miscellaneous Deposits	Heartland Communications Facility Authority	Heartland Fire Training Authority	Total
Assets:				
Cash and investments	\$ 171,126	\$ 1,007,570	\$ 659,154	\$ 1,837,850
Receivables:				
Accounts	-	35,291	44,439	79,730
Interest	-	1,543	973	2,516
Intergovernmental	-	3,946	-	3,946
Loans	-	-	3,500	3,500
Prepaid expenses	-	1,050	3,311	4,361
Total assets	\$ 171,126	\$ 1,049,400	\$ 711,377	\$ 1,931,903
Liabilities:				
Accounts payable	\$ 18,985	\$ 39,311	\$ 32,672	\$ 90,968
Accrued liabilities	-	34,130	3,587	37,717
Unearned revenue	-	-	268,226	268,226
Sundry agency liabilities	152,141	975,959	406,892	1,534,992
Total liabilities	\$ 171,126	\$ 1,049,400	\$ 711,377	\$ 1,931,903

CITY OF EL CAJON

Combining Statement of Changes in Fiduciary Assets and Liabilities Agency Funds For the fiscal year ended June 30, 2014

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Miscellaneous Deposits				
Assets:				
Cash and investments	\$ 163,388	\$ 685,220	\$ (677,482)	\$ 171,126
Receivables:				
Accounts	<u>3,031</u>	<u>-</u>	<u>(3,031)</u>	<u>-</u>
Total assets	<u><u>\$ 166,419</u></u>	<u><u>\$ 685,220</u></u>	<u><u>\$ (680,513)</u></u>	<u><u>\$ 171,126</u></u>
Liabilities:				
Accounts payable	\$ 30,161	\$ 18,985	\$ (30,161)	\$ 18,985
Sundry agency liabilities	<u>136,258</u>	<u>666,235</u>	<u>(650,352)</u>	<u>152,141</u>
Total liabilities	<u><u>\$ 166,419</u></u>	<u><u>\$ 685,220</u></u>	<u><u>\$ (680,513)</u></u>	<u><u>\$ 171,126</u></u>
 Heartland Communications Facility Authority				
Assets:				
Cash and investments	\$ 710,078	\$ 2,698,491	\$ (2,400,999)	\$ 1,007,570
Receivables:				
Accounts	155,115	35,291	(155,115)	35,291
Interest	1,382	1,543	(1,382)	1,543
Intergovernmental	-	3,946	-	3,946
Prepaid expenses	<u>585</u>	<u>1,050</u>	<u>(585)</u>	<u>1,050</u>
Total assets	<u><u>\$ 867,160</u></u>	<u><u>\$ 2,740,321</u></u>	<u><u>\$ (2,558,081)</u></u>	<u><u>\$ 1,049,400</u></u>
Liabilities:				
Accounts payable	\$ 153,441	\$ 39,311	\$ (153,441)	\$ 39,311
Accrued liabilities	28,776	34,130	(28,776)	34,130
Sundry agency liabilities	<u>684,943</u>	<u>2,666,880</u>	<u>(2,375,864)</u>	<u>975,959</u>
Total liabilities	<u><u>\$ 867,160</u></u>	<u><u>\$ 2,740,321</u></u>	<u><u>\$ (2,558,081)</u></u>	<u><u>\$ 1,049,400</u></u>

CITY OF EL CAJON

Combining Statement of Changes in Fiduciary Assets and Liabilities Agency Funds (continued) For the fiscal year ended June 30, 2014

	Beginning Balance	Additions	Deletions	Ending Balance
Heartland Fire Training Authority				
Assets:				
Cash and investments	\$ 464,912	\$ 928,270	\$ (734,028)	\$ 659,154
Receivables:				
Accounts	59,652	44,439	(59,652)	44,439
Loans	3,500	-	-	3,500
Interest	765	973	(765)	973
Prepaid expenses	-	3,311	-	3,311
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 528,829</u>	<u>\$ 976,993</u>	<u>\$ (794,445)</u>	<u>\$ 711,377</u>
Liabilities:				
Accounts payable	\$ 46,029	\$ 32,672	\$ (46,029)	\$ 32,672
Accrued liabilities	-	3,587	-	3,587
Unearned revenue	320,000	28,226	(80,000)	268,226
Sundry agency liabilities	162,800	912,508	(668,416)	406,892
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 528,829</u>	<u>\$ 976,993</u>	<u>\$ (794,445)</u>	<u>\$ 711,377</u>
Total Agency Funds				
Assets:				
Cash and investments	\$ 1,338,378	\$ 4,311,981	\$ (3,812,509)	\$ 1,837,850
Receivables:				
Accounts	217,798	79,730	(217,798)	79,730
Interest	2,147	2,516	(2,147)	2,516
Intergovernmental	-	3,946	-	3,946
Loans	3,500	-	-	3,500
Prepaid expenses	585	4,361	(585)	4,361
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,562,408</u>	<u>\$ 4,402,534</u>	<u>\$ (4,033,039)</u>	<u>\$ 1,931,903</u>
Liabilities:				
Accounts payable	\$ 229,631	\$ 90,968	\$ (229,631)	\$ 90,968
Accrued liabilities	28,776	37,717	(28,776)	37,717
Unearned revenue	320,000	28,226	(80,000)	268,226
Sundry agency liabilities	984,001	4,245,623	(3,694,632)	1,534,992
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 1,562,408</u>	<u>\$ 4,402,534</u>	<u>\$ (4,033,039)</u>	<u>\$ 1,931,903</u>

CITY OF EL CAJON
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u> <i>as restated</i>	<u>2013</u>	<u>2014</u>
Governmental activities										
Net investment in capital assets	\$ 147,351,227	\$ 148,556,520	\$ 156,282,116	\$ 161,827,481	\$ 162,657,834	\$ 171,879,175	\$ 184,845,829	\$ 187,945,040	\$ 193,537,908	\$ 210,077,278
Restricted	30,256,264	42,169,594	58,098,218	67,921,281	82,298,521	63,263,584	60,158,904	58,728,019 ^a	59,087,555 ^a	61,853,603
Unrestricted	<u>(22,920,789)</u>	<u>(23,676,154)</u>	<u>(28,324,073)</u>	<u>(29,726,473)</u>	<u>(32,573,207)</u>	<u>(12,336,332)</u>	<u>(4,176,060)</u>	<u>20,608,443</u>	<u>28,212,027</u>	<u>30,515,904</u>
Total governmental activities net position	<u>\$ 154,686,702</u>	<u>\$ 167,049,960</u>	<u>\$ 186,056,261</u>	<u>\$ 200,022,289</u>	<u>\$ 212,383,148</u>	<u>\$ 222,806,427</u>	<u>\$ 240,828,673</u>	<u>\$ 267,281,502</u>	<u>\$ 280,837,490</u>	<u>\$ 302,446,785</u>
Business-type activities										
Net investment in capital assets	\$ 51,948,046	\$ 49,699,412	\$ 38,297,123	\$ 36,149,131	\$ 37,622,872	\$ 36,625,278	\$ 37,372,058	\$ 37,954,007	\$ 37,072,743	\$ 46,121,178
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>16,246,873</u>	<u>17,718,411</u>	<u>30,309,060</u>	<u>30,556,232</u>	<u>28,264,958</u>	<u>26,124,508</u>	<u>21,592,156</u>	<u>19,536,586</u>	<u>18,044,303</u>	<u>6,881,080</u>
Total business-type activities net position	<u>\$ 68,194,919</u>	<u>\$ 67,417,823</u>	<u>\$ 68,606,183</u>	<u>\$ 66,705,363</u>	<u>\$ 65,887,830</u>	<u>\$ 62,749,786</u>	<u>\$ 58,964,214</u>	<u>\$ 57,490,593</u>	<u>\$ 55,117,046</u>	<u>\$ 53,002,258</u>
Primary government										
Invested in capital assets, net of related det	\$ 199,299,273	\$ 198,255,932	\$ 194,579,239	\$ 197,976,612	\$ 200,280,706	\$ 208,504,453	\$ 222,217,887	\$ 225,899,047	\$ 230,610,651	\$ 256,198,456
Restricted	30,256,264	42,169,594	58,098,218	67,921,281	82,298,521	63,263,584	60,158,904	58,728,019	59,087,555	61,853,603
Unrestricted	<u>(6,673,916)</u>	<u>(5,957,743)</u>	<u>1,984,987</u>	<u>829,759</u>	<u>(4,308,249)</u>	<u>13,788,176</u>	<u>17,416,096</u>	<u>40,145,029</u>	<u>46,256,330</u>	<u>37,396,984</u>
Total primary government net position	<u>\$ 222,881,621</u>	<u>\$ 234,467,783</u>	<u>\$ 254,662,444</u>	<u>\$ 266,727,652</u>	<u>\$ 278,270,978</u>	<u>\$ 285,556,213</u>	<u>\$ 299,792,887</u>	<u>\$ 324,772,095</u>	<u>\$ 335,954,536</u>	<u>\$ 355,449,043</u>

Notes:

^a The El Cajon Redevelopment Agency was dissolved effective 02/01/2012 and its non-housing assets and obligations were transferred to the Successor Agency. See the notes to the financial statements for more information.

CITY OF EL CAJON
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u> <i>as restated</i>	<u>2013</u>	<u>2014</u>
Expenses										
Governmental activities:										
General government	\$ 6,802,886	\$ 5,667,586	\$ 6,003,403	\$ 7,125,818	\$ 7,033,654	\$ 6,616,137	\$ 6,496,555	\$ 7,696,562	\$ 9,148,684	\$ 11,388,403
Public safety	37,888,372	40,650,308	41,376,479	40,313,529	39,346,691	37,384,609	37,649,169	38,633,076	40,578,344	42,919,265
Public works	9,918,408	9,591,062	11,462,970	10,242,033	11,458,980	10,514,171	10,695,592	11,680,268	12,281,575	10,796,564
Parks and recreation	5,246,931	5,306,786	5,416,545	5,424,920	5,222,743	5,011,660	4,811,375	4,697,831	4,622,822	4,958,144
Community development	7,755,036	8,227,494	5,333,452	8,187,798	9,987,043	10,510,062	7,085,610	8,972,209	4,669,220	2,665,013
Interest on long-term debt	3,063,181	3,361,098	3,546,884	3,914,799	3,713,294	4,145,067	4,426,180	2,910,351	987,165	792,604
Total governmental activities expenses	<u>70,674,814</u>	<u>72,804,334</u>	<u>73,139,733</u>	<u>75,208,897</u>	<u>76,762,405</u>	<u>74,181,706</u>	<u>71,164,481</u>	<u>74,590,297</u>	<u>72,287,810</u>	<u>73,519,993</u>
Business-type activities:										
Wastewater	<u>12,804,910</u>	<u>13,018,024</u>	<u>12,916,675</u>	<u>15,843,902</u>	<u>14,595,817</u>	<u>15,455,843</u>	<u>15,413,470</u>	<u>16,398,495</u>	<u>17,710,456</u>	<u>17,378,120</u>
Total business-type activities expenses	<u>12,804,910</u>	<u>13,018,024</u>	<u>12,916,675</u>	<u>15,843,902</u>	<u>14,595,817</u>	<u>15,455,843</u>	<u>15,413,470</u>	<u>16,398,495</u>	<u>17,710,456</u>	<u>17,378,120</u>
Total primary government expenses	<u>\$ 83,479,724</u>	<u>\$ 85,822,358</u>	<u>\$ 86,056,408</u>	<u>\$ 91,052,799</u>	<u>\$ 91,358,222</u>	<u>\$ 89,637,549</u>	<u>\$ 86,577,951</u>	<u>\$ 90,988,792</u>	<u>\$ 89,998,266</u>	<u>\$ 90,898,113</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 73,430	\$ 1,236,844	\$ 975,695	\$ 1,092,456	\$ 1,169,914	\$ 1,144,209	\$ 1,124,120	\$ 1,175,685	\$ 2,229,570	\$ 2,416,175
Public safety	6,351,522	7,145,060	6,661,314	5,060,425	5,516,765	5,141,582	5,039,668	4,758,621	4,145,824	4,956,285
Public works	839,899	1,254,521	855,308	1,500,292	1,621,632	1,346,452	1,477,824	1,303,160	1,184,869	1,270,454
Parks and recreation	899,079	549,021	533,257	527,238	511,609	693,490	657,618	677,070	696,275	1,153,051
Community development	98,969	275,913	43,335	1,112,047	1,052,738	1,292,549	1,172,847	1,128,417	2,166,733	332,193
Operating grants and contributions	8,080,317	6,957,456	10,704,487	7,977,621	8,179,454	6,744,073	6,827,345	9,264,974	6,811,610	6,717,307
Capital grants and contributions	2,708,921	11,926,534	13,538,092	13,590,499	14,385,324	12,503,710	11,290,298	9,396,184	16,162,285	23,453,340
Total governmental activities revenues	<u>19,052,137</u>	<u>29,345,349</u>	<u>33,311,488</u>	<u>30,860,578</u>	<u>32,437,436</u>	<u>28,866,065</u>	<u>27,589,720</u>	<u>27,704,111</u>	<u>33,397,166</u>	<u>40,298,805</u>
Business-type activities:										
Charges for services:										
Wastewater	11,703,427	11,444,031	12,273,490	12,226,547	12,072,058	11,940,997	11,456,017	13,382,226	15,369,359	15,363,078
Capital grants and contributions	<u>126,200</u>	<u>-</u>	<u>392,100</u>	<u>-</u>	<u>39,100</u>	<u>15,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities revenues	<u>11,829,627</u>	<u>11,444,031</u>	<u>12,665,590</u>	<u>12,226,547</u>	<u>12,111,158</u>	<u>11,956,897</u>	<u>11,456,017</u>	<u>13,382,226</u>	<u>15,369,359</u>	<u>15,363,078</u>
Total primary government revenues	<u>\$ 30,881,764</u>	<u>\$ 40,789,380</u>	<u>\$ 45,977,078</u>	<u>\$ 43,087,125</u>	<u>\$ 44,548,594</u>	<u>\$ 40,822,962</u>	<u>\$ 39,045,737</u>	<u>\$ 41,086,337</u>	<u>\$ 48,766,525</u>	<u>\$ 55,661,883</u>
Net (expense)/revenue										
Governmental activities	\$ (51,622,677)	\$ (43,458,985)	\$ (39,828,245)	\$ (44,348,319)	\$ (44,324,969)	\$ (45,315,641)	\$ (43,574,761)	\$ (46,886,186)	\$ (38,890,644)	\$ (33,221,188)
Business-type activities	<u>(975,283)</u>	<u>(1,573,993)</u>	<u>(251,085)</u>	<u>(3,617,355)</u>	<u>(2,484,659)</u>	<u>(3,498,946)</u>	<u>(3,957,453)</u>	<u>(3,016,269)</u>	<u>(2,341,097)</u>	<u>(2,015,042)</u>
Total primary government net expense	<u>\$ (52,597,960)</u>	<u>\$ (45,032,978)</u>	<u>\$ (40,079,330)</u>	<u>\$ (47,965,674)</u>	<u>\$ (46,809,628)</u>	<u>\$ (48,814,587)</u>	<u>\$ (47,532,214)</u>	<u>\$ (49,902,455)</u>	<u>\$ (41,231,741)</u>	<u>\$ (35,236,230)</u>

(Continued on next page)

CITY OF EL CAJON
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u> <i>as restated</i>	<u>2013</u>	<u>2014</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 23,911,292	\$ 27,829,776	\$ 31,116,242	\$ 32,680,311	\$ 32,527,556	\$ 28,896,570	\$ 28,873,349	\$ 27,082,113	\$ 20,468,597	\$ 21,692,259
Sales taxes	18,472,188	18,254,639	17,761,028	17,127,144	15,602,550	19,148,882	22,278,251	22,466,903	24,328,310	25,367,434
Franchise taxes	3,657,639	3,739,375	3,897,928	4,207,443	4,603,755	4,630,306	5,163,453	4,721,291	4,767,474	4,791,459
Transient lodging taxes	1,015,956	1,091,977	1,119,762	1,127,839	925,865	824,676	900,298	1,046,237	1,057,224	1,138,761
Business license taxes	792,554	795,641	770,951	786,182	784,047	744,613	751,196	747,522	768,726	766,515
Intergovernmental, unrestricted	2,274,612	583,233	619,730	536,303	542,808	289,199	502,955	-	51,550	87,385
Investment earnings	692,586	2,211,144	3,233,882	1,830,475	881,530	374,277	234,385	299,103	179,961	39,032
Other	18,264	498,739	315,026	18,650	703,767	811,138	646,937	1,531,970	1,352,057	801,775
Special item - net gain(loss) on sale	-	-	-	-	-	-	2,167,485	-	(597,018)	-
Extraordinary gain - net transfer of assets	-	-	-	-	-	-	-	21,677,883	-	-
Transfer in(out)	<u>441,075</u>	<u>(324,466)</u>	<u>-</u>	<u>-</u>	<u>113,950</u>	<u>19,259</u>	<u>78,697</u>	<u>5,682</u>	<u>69,751</u>	<u>145,863</u>
Total governmental activities	<u>51,276,166</u>	<u>54,680,058</u>	<u>58,834,549</u>	<u>58,314,347</u>	<u>56,685,828</u>	<u>55,738,920</u>	<u>61,597,006</u>	<u>79,578,704</u>	<u>52,446,632</u>	<u>54,830,483</u>
Business-type activities:										
Investment earnings	753,434	876,421	1,436,923	1,572,301	877,025	372,139	160,435	82,552	24,511	42,103
Other	1,355	95,923	2,522	144,234	904,051	8,022	90,143	1,465,778	15,015	4,014
Special item - net loss on sale of properties	-	-	-	-	-	-	-	-	(2,225)	-
Transfer in(out)	<u>(441,075)</u>	<u>(175,447)</u>	<u>-</u>	<u>-</u>	<u>(113,950)</u>	<u>(19,259)</u>	<u>(78,697)</u>	<u>(5,682)</u>	<u>(69,751)</u>	<u>(145,863)</u>
Total business-type activities	<u>313,714</u>	<u>796,897</u>	<u>1,439,445</u>	<u>1,716,535</u>	<u>1,667,126</u>	<u>360,902</u>	<u>171,881</u>	<u>1,542,648</u>	<u>(32,450)</u>	<u>(99,746)</u>
Total primary government	<u>\$ 51,589,880</u>	<u>\$ 55,476,955</u>	<u>\$ 60,273,994</u>	<u>\$ 60,030,882</u>	<u>\$ 58,352,954</u>	<u>\$ 56,099,822</u>	<u>\$ 61,768,887</u>	<u>\$ 81,121,352</u>	<u>\$ 52,414,182</u>	<u>\$ 54,730,737</u>
Changes in Net Position										
Governmental activities	\$ (346,511)	\$ 11,221,073	\$ 19,006,304	\$ 13,966,028	\$ 12,360,859	\$ 10,423,279	\$ 18,022,245	\$ 32,692,518	\$ 13,555,988	\$ 21,609,295
Business-type activities	<u>(661,569)</u>	<u>(777,096)</u>	<u>1,188,360</u>	<u>(1,900,820)</u>	<u>(817,533)</u>	<u>(3,138,044)</u>	<u>(3,785,572)</u>	<u>(1,473,621)</u>	<u>(2,373,547)</u>	<u>(2,114,788)</u>
Total primary government	<u>\$ (1,008,080)</u>	<u>\$ 10,443,977</u>	<u>\$ 20,194,664</u>	<u>\$ 12,065,208</u>	<u>\$ 11,543,326</u>	<u>\$ 7,285,235</u>	<u>\$ 14,236,673</u>	<u>\$ 31,218,897</u>	<u>\$ 11,182,441</u>	<u>\$ 19,494,507</u>

CITY OF EL CAJON
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund										
Reserved	\$ 1,445,119	\$ 1,236,423	\$ 1,058,476	\$ 476,697	\$ 27,822	\$ 287,021	\$ -	\$ -	\$ -	\$ -
Unreserved	19,558,962	18,227,337	18,507,286	16,691,900	16,521,049	15,492,150	-	-	-	-
Nonspendable	-	-	-	-	-	-	11,610	-	2,331	2,616
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	10,058,304	10,003,509	10,614,730	11,415,896
Assigned	-	-	-	-	-	-	-	5,370,474	4,947,648	3,520,000
Unassigned	-	-	-	-	-	-	10,009,181	3,401,384	10,969,345	12,987,788
Total general fund	<u>\$ 21,004,081</u>	<u>\$ 19,463,760</u>	<u>\$ 19,565,762</u>	<u>\$ 17,168,597</u>	<u>\$ 16,548,871</u>	<u>\$ 15,779,171</u>	<u>\$ 20,079,095</u>	<u>\$ 18,775,367</u>	<u>\$ 26,534,054</u>	<u>\$ 27,926,300</u>
All other governmental funds										
Reserved	\$ 27,444,814	\$ 41,801,680	\$ 53,052,832	\$ 50,578,716	\$ 62,695,222	\$ 84,028,150	\$ -	\$ -	\$ -	\$ -
Unreserved										
Special revenue funds	6,093,280	4,046,965	4,631,285	2,886,920	4,071,055	2,792,790	-	-	-	-
Capital projects funds	6,253,755	15,720,367	29,516,819	38,108,095	60,774,373	24,086,294	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	4,219	3,117
Restricted	-	-	-	-	-	-	60,309,471	32,917,930	31,072,800	31,521,762
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	29,265,577	25,454,019	27,270,420	29,729,317
Unassigned	-	-	-	-	-	-	-	-	(16,521)	(42,390)
Total all other governmental funds	<u>\$ 39,791,849</u>	<u>\$ 61,569,012</u>	<u>\$ 87,200,936</u>	<u>\$ 91,573,731</u>	<u>\$ 127,540,650</u>	<u>\$ 110,907,234</u>	<u>\$ 89,575,048</u>	<u>\$ 58,371,949</u>	<u>\$ 58,330,918</u>	<u>\$ 61,211,806</u>
Total fund balance	<u>\$ 60,795,930</u>	<u>\$ 81,032,772</u>	<u>\$ 106,766,698</u>	<u>\$ 108,742,328</u>	<u>\$ 144,089,521</u>	<u>\$ 126,686,405</u>	<u>\$ 109,654,143</u>	<u>\$ 77,147,316</u>	<u>\$ 84,864,972</u>	<u>\$ 89,138,106</u>

Note:

The City implemented GASB 54 for the fiscal year ended June 30, 2011. The categories of fund balance for governmental funds have been changed as described more fully in the notes to the financial statements. Prior year fund balances reflect the guidance in effect when those financial statements were prepared.

CITY OF EL CAJON
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues										
Taxes	\$ 54,550,833	\$ 64,763,484	\$ 68,361,796	\$ 67,870,489	\$ 65,732,725	\$ 68,651,590	\$ 72,117,599	\$ 65,375,715	\$ 62,902,388	\$ 64,611,380
Intergovernmental	9,277,882	8,369,421	10,783,152	9,933,670	9,248,805	9,101,752	7,187,549	8,477,915	6,772,809	7,353,362
Licenses and permits	1,279,818	1,381,874	1,202,371	816,696	948,842	1,170,501	873,243	927,820	959,941	1,043,011
Charges for services	4,311,267	5,598,387	5,891,070	6,025,170	6,261,265	6,045,741	5,821,898	6,248,868	5,964,400	6,165,821
Investment earnings	2,076,919	3,320,605	5,980,521	4,034,880	3,046,843	1,086,786	818,018	387,216	317,649	175,953
Other	2,506,240	3,195,414	3,359,342	4,854,042	8,052,494	2,660,351	5,286,670	5,047,901	6,895,635	4,932,760
Total revenues	<u>74,002,959</u>	<u>86,629,185</u>	<u>95,578,252</u>	<u>93,534,947</u>	<u>93,290,974</u>	<u>88,716,721</u>	<u>92,104,977</u>	<u>86,465,435</u>	<u>83,812,822</u>	<u>84,282,287</u>
Expenditures										
General government	6,569,726	5,379,635	6,493,789	7,120,918	6,830,628	6,578,500	6,554,545	7,446,595	8,943,751	11,158,991
Public safety	37,496,000	40,448,381	41,101,006	42,187,380	39,105,822	37,934,714	38,078,503	38,458,168	39,216,674	41,758,874
Public works	5,735,251	6,184,025	5,935,035	5,961,454	6,085,158	6,201,848	5,940,300	5,553,901	5,523,424	5,196,417
Parks and recreation	4,946,623	5,191,900	5,037,440	5,318,846	5,039,113	4,810,458	4,608,809	4,426,742	4,362,631	4,634,936
Community development	7,760,406	8,087,533	8,267,328	11,706,510	8,993,226	14,380,697	9,685,291	5,906,316	5,013,538	2,970,194
Capital outlay	4,740,098	5,212,603	14,455,898	13,213,187	12,903,731	29,010,180	37,803,738	13,997,614	9,054,501	6,443,922
Debt service: principal	1,595,788	30,083,343	967,269	2,194,227	1,397,167	2,873,736	1,312,000	1,362,000	2,997,000	7,187,000
Debt service: interest & fiscal charges	3,067,338	1,986,537	3,206,498	3,855,980	3,667,869	4,348,963	4,479,711	2,742,813	987,165	792,604
Pass-through payments	2,836,820	2,314,388	-	-	-	-	-	-	-	-
Total expenditures	<u>74,748,050</u>	<u>104,888,345</u>	<u>85,464,263</u>	<u>91,558,502</u>	<u>84,022,714</u>	<u>106,139,096</u>	<u>108,462,897</u>	<u>79,894,149</u>	<u>76,098,684</u>	<u>80,142,938</u>
Excess/deficiency of revenues over (under) expenditures	(745,091)	(18,259,160)	10,113,989	1,976,445	9,268,260	(17,422,375)	(16,357,920)	6,571,286	7,714,138	4,139,349
Other financing sources (uses)										
Issuance of long-term debt	-	40,000,000	15,750,000	-	25,195,000	-	-	-	-	-
Premium (Discount) on issuance of bonds	-	(1,335,791)	(135,550)	-	769,983	-	-	-	-	-
Contribution from Civic Center Authority	-	-	-	-	-	-	-	-	-	-
Transfers in	6,037,322	9,420,667	29,281,591	15,109,639	11,182,389	28,484,035	15,836,395	30,436,534	11,555,208	16,101,370
Transfers out	(5,596,247)	(9,745,133)	(29,276,104)	(15,109,639)	(11,068,439)	(28,464,776)	(16,510,737)	(32,542,205)	(11,551,690)	(15,967,585)
Total other financing sources (uses)	<u>441,075</u>	<u>38,339,743</u>	<u>15,619,937</u>	<u>-</u>	<u>26,078,933</u>	<u>19,259</u>	<u>(674,342)</u>	<u>(2,105,671)</u>	<u>3,518</u>	<u>133,785</u>
Extraordinary loss	-	-	-	-	-	-	-	(36,972,442)	-	-
Net change in fund balances	<u>\$ (304,016)</u>	<u>\$ 20,080,583</u>	<u>\$ 25,733,926</u>	<u>\$ 1,976,445</u>	<u>\$ 35,347,193</u>	<u>\$ (17,403,116)</u>	<u>\$ (17,032,262)</u>	<u>\$ (32,506,827)</u>	<u>\$ 7,717,656</u>	<u>\$ 4,273,134</u>
Debt service as percentage of noncapital expenditures	10.7%	34.5%	5.9%	7.7%	7.1%	9.4%	8.2%	6.2%	5.9%	10.8%

CITY OF EL CAJON
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Property	\$ 25,601,244	\$ 29,757,108	\$ 33,209,047	\$ 35,451,016	\$ 35,528,950	\$ 32,056,420	\$ 31,858,255	\$ 26,866,252 ^a	\$ 20,224,259 ^a	\$ 21,285,194
Sales and use	22,481,821	26,098,943	26,177,608	25,704,453	23,302,544	25,968,174	29,928,327	30,141,782	32,662,638	33,814,507
Franchise	3,657,639	3,739,375	3,897,928	4,207,443	4,603,755	4,630,306	5,163,453	4,721,291	4,767,474	4,791,459
Occupancy	1,015,957	1,091,977	1,119,762	1,127,839	925,865	824,676	900,298	1,046,237	1,057,224	1,138,761
Property transfer	608,903	387,057	405,000	211,639	206,897	183,345	193,141	215,861	244,338	407,065
Other	1,185,269	3,689,024	3,552,451	1,168,100	1,164,714	4,988,669	4,074,125	2,384,292	3,946,455	3,174,394
	<u>\$ 54,550,833</u>	<u>\$ 64,763,484</u>	<u>\$ 68,361,796</u>	<u>\$ 67,870,490</u>	<u>\$ 65,732,725</u>	<u>\$ 68,651,590</u>	<u>\$ 72,117,599</u>	<u>\$ 65,375,715</u>	<u>\$ 62,902,388</u>	<u>\$ 64,611,381</u>

Notes:

^a The El Cajon Redevelopment Agency was dissolved effective 02/01/2012 and its non-housing assets and obligations were transferred to the Successor Agency.

City of El Cajon
Principal Sales Tax Producers (alphabetical)
Last Fiscal Year and Nine Years Ago

2013-14	
Taxpayer	Business Type
Best Buy Stores	Furniture/Appliance
Chevron Service Stations	Service Stations
Cunningham BMW	Auto Sales-New
East County Preowned Superstore	Auto Parts/Repair
El Cajon Ford Isuzu	Auto Sales-New
El Cajon Mitsubishi	Auto Sales-New
Enterprise Rent-A-Car	Leasing
Exxon Service Stations	Service Stations
Ferguson Enterprises	Bldg.Matls-Whsle
Home Depot	Bldg.Matls-Retail
Lexus El Cajon	Auto Sales-New
Macy's Department Store	Department Stores
Mossy Nissan	Auto Sales-New
Mossy Volkswagon	Auto Sales-New
Motoworld	Misc. Vehicle Sales
Sears Roebuck & Company	Department Stores
Subaru El Cajon	Auto Sales-New
Target Stores	Department Stores
Team KIA of El Cajon	Auto Sales-New
The Soco Group	Energy Sales
Tipton Honda	Auto Sales-New
Toyota of El Cajon	Auto Sales-New
USA Service Station	Service Stations
W.W. Grainger	Bldg.Matls-Whsle
Wal Mart Stores	Department Stores

2004-05	
Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations
Auto Finance Specialists	Leasing
Best Buys Stores	Furniture/Appliance
Bob Baker Chevrolet/ Subaru	Auto Sales-New
Chevron Service Stations	Service Stations
Cunningham BMW	Auto Sales-New
De La Fuente Cadillac	Auto Sales-New
Dixieline Lumber Company	Bldg.Matls-Retail
El Cajon Ford Isuzu	Auto Sales-New
Ferguson Enterprises	Bldg.Matls-Whsle
Home Depot	Bldg.Matls-Retail
J & B Materials	Bldg.Matls-Retail
JC Penney Company	Department Stores
Lexus of El Cajon	Auto Sales-New
Mervyn's Department Store	Department Stores
Mor Furniture For Less	Furniture/Appliance
Mossy Nissan	Auto Sales-New
Motoworld	Misc. Vehicle Sales
Robinsons May Department Stores	Department Stores
Sears Roebuck & Company	Department Stores
Target Stores	Department Stores
The Soco Group	Energy Sales
Tipton Honda	Auto Sales-New
Toyota of El Cajon	Auto Sales-New
Wal Mart Stores	Department Stores

Source: Q114 and Q105 SBOE data, MuniServices, LLC

City of El Cajon
Net Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Taxable Assessed Value	Direct Tax Rate ⁽¹⁾	Estimated Actual Taxable Value ⁽²⁾	Factor of Taxable Assessed Value
2004-05	3,683,527	961,055	456,728	92,482	350,913	5,544,705	0.111700	-	-
2005-06	4,210,849	1,032,525	476,495	108,613	457,638	6,286,120	0.111700	-	-
2006-07	4,809,681	1,156,882	542,027	123,845	439,552	7,071,987	0.111700	-	-
2007-08	5,181,940	1,250,041	617,180	201,378	486,538	7,737,077	0.111700	-	-
2008-09	5,146,788	1,306,707	587,244	205,868	486,778	7,733,385	0.111700	-	-
2009-10	4,681,464	1,332,879	605,729	203,425	531,835	7,355,332	0.111700	-	-
2010-11	4,589,686	1,315,121	603,660	195,491	506,113	7,210,071	0.111700	-	-
2011-12	4,625,723	1,320,497	601,910	189,333	508,860	7,246,323	0.111700	-	-
2012-13	4,548,093	1,339,676	624,668	104,634	439,823	7,056,894	0.111700	9,143,319	1.295658
2013-14	4,726,844	1,363,339	627,606	107,602	425,276	7,250,667	0.111700	9,600,731	1.324117

Source: San Diego County Assessor data, MuniServices, LLC

Source: 2011-12 and prior, previously published CAFR Report

(1.) Total Direct Tax Rate is represented by TRA 003-001

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a factor was extrapolated and applied to current assessed values.

City of El Cajon
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Basic City and County Levy										
City of El Cajon	0.111730	0.111740	0.111740	0.111740	0.111740	0.111700	0.111740	0.111700	0.111736	0.111736
Cajon Valley Union Elementary	0.224910	0.224910	0.224910	0.224910	0.224910	0.224900	0.224900	0.224900	0.224913	0.224913
Cajon Valley Union County Building Aid	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020
Children's Institute Tuition	0.001500	0.001460	0.001460	0.001460	0.001460	0.001460	0.001460	0.001460	0.001464	0.001464
Chula Vista Project	0.000220	0.000180	0.000180	0.000180	0.000180	0.000180	0.000180	0.000180	0.000179	0.000179
County General	0.144080	0.144250	0.144250	0.144250	0.144250	0.132100	0.132100	0.132100	0.132090	0.132090
County Library	0.013000	0.012960	0.012960	0.012960	0.012960	0.025100	0.025100	0.025100	0.025124	0.025124
County School Service	0.006900	0.006860	0.006860	0.006860	0.006860	0.006860	0.006860	0.006860	0.006862	0.006862
County School Service Capital Outlay	0.001700	0.001730	0.001730	0.001730	0.001730	0.001730	0.001730	0.001730	0.001730	0.001730
CWA Helix Water District	0.003450	0.003450	0.003450	0.003450	0.003450	0.003450	0.003450	0.003450	0.003448	0.003448
Educational Revenue Augmentation Fund	0.129250	0.129250	0.129250	0.129250	0.129250	0.129300	0.129300	0.129300	0.129255	0.129255
Grossmont-Cuyamaca Community College	0.094190	0.094190	0.094190	0.094190	0.094190	0.094200	0.094200	0.094200	0.094191	0.094191
Grossmont Healthcare District	0.016250	0.016250	0.016250	0.016250	0.016250	0.016250	0.016250	0.016250	0.016246	0.016246
Grossmont Union High School District	0.248360	0.248370	0.248370	0.248370	0.248370	0.248400	0.248400	0.248400	0.248366	0.248366
Regional Occupational Centers	0.004400	0.004380	0.004380	0.004380	0.004380	0.004380	0.004380	0.004380	0.004377	0.004377
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
Cajon Valley School Bond	0.026320	0.031260	0.034280	0.031410	0.049010	0.052240	0.052500	0.060840	0.062740	0.086340
Grossmont Healthcare District prop G 6-06-06	0.000000	0.000000	0.013150	0.013150	0.013150	0.013150	0.013150	0.020050	0.020050	0.020050
Grossmont Union High Bond	0.026650	0.023180	0.021210	0.021770	0.027950	0.058670	0.059430	0.061210	0.061030	0.061670
Grossmont-Cuyamaca Community College	0.020060	0.020040	0.020670	0.007700	0.022570	0.027980	0.029290	0.030820	0.031730	0.047520
La Mesa Spring Valley Elementary	0.025010	0.022050	0.020530	0.019590	0.020230	0.023660	0.024930	0.025560	0.000000	0.000000
Metropolitan Water District	0.005800	0.005200	0.004700	0.004500	0.004300	0.004300	0.003700	0.003700	0.003500	0.003500
Padre Dam Muni Water Imp Dist C-Debt Srv	0.001490	0.001370	0.001210	0.001080	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
San Diego Water Authority	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Santee Elementary Bond	0.000000	0.000000	0.000000	0.024050	0.028080	0.029160	0.034040	0.033080	0.000000	0.000000
TOTAL	0.105330	0.103100	0.115750	0.123250	0.165290	0.209160	0.217040	0.235260	0.179050	0.219080
TOTAL TAX RATE	1.105330	1.103100	1.115750	1.123250	1.165290	1.209160	1.217040	1.235260	1.179050	1.219080

Source: San Diego County Auditor/Controller data, MuniServices, LLC
Source: 2011-12 and prior, previously published CAFR Report
TRA 03-001 is represented for this report

City of El Cajon
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

2013-14		
Taxpayer	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Parkway Plaza LLC	230,516,051	3.18%
Prebys Conrad Trust	90,416,986	1.25%
GKN Aerospace Chem-Tronics Inc	58,256,040	0.80%
Kaiser Foundation Hospital	49,021,852	0.68%
San Diego Forest Park LLC	45,390,000	0.63%
El Cajon Energy LLC	36,011,394	0.50%
Senior Flexonics Inc	31,766,208	0.44%
Sears Roebuck & Co	26,617,768	0.37%
Cox Communications Inc	25,006,382	0.34%
505 West Madison Apartments LLC	25,001,392	0.34%
Home Depot	24,562,793	0.34%
Walmart Stores Inc	24,514,637	0.34%
Helf Properties	22,310,636	0.31%
Fletcher Hills Colonnade LLC	21,675,000	0.30%
North Johnson Vernon Property	21,432,663	0.30%
Pain In the Air Inc	21,141,437	0.29%
Ynez Two LLC	20,663,182	0.28%
Toro Co	18,687,311	0.26%
RS Partners LP	18,597,148	0.26%
Ivanhoe El Cajon Apts	17,278,785	0.24%
Target Stores	16,469,277	0.23%
Fletcher Hills Town & Country	14,927,016	0.21%
Gillespie GH LLC	14,687,970	0.20%
Melucci Irrevocable Trust	13,184,915	0.18%
M O Eldorado L P	12,799,964	0.18%
Total Top 25 Taxpayers	900,936,807	12.43%
Total Taxable Value*	7,250,248,186	100.00%

2004-05		
Taxpayer	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Parkway Plaza LLC	201,383,171	3.61%
GKN Aerospace Chem-Tronics Inc	52,155,002	0.94%
Prebys Conrad Trust	41,838,369	0.75%
Kaiser Foundation Hospital	35,709,618	0.64%
Senior Flexonics Inc	33,916,286	0.61%
Jacobs Irwin Mark Trustee	31,137,000	0.56%
Pacific Gillespie Partners Lot	31,077,822	0.56%
Calpeak Power	28,210,834	0.51%
J M S Acquisition LLC	27,074,586	0.49%
Cox Communications Inc	19,649,266	0.35%
City of El Cajon	17,568,022	0.32%
Signs Pinnick Inc.	17,481,821	0.31%
American Stores Properties Inc	14,916,452	0.27%
Buck Knives Inc.	13,478,394	0.24%
Dayton Hudson Corp	12,638,373	0.23%
CC Sunterra LLC	12,489,998	0.22%
Fletcher Hills Town & Country	12,475,334	0.22%
CRE Di El Cajon LLC	12,438,190	0.22%
Sears Roebuck & Co	11,475,874	0.21%
Fried L R	11,300,000	0.20%
Qualcomm Inc	10,939,800	0.20%
Newport Diversified Inc	10,207,280	0.18%
Toro Co	9,571,568	0.17%
Terra West Investment Co	8,806,211	0.16%
Peach Venture III LLC	8,798,742	0.16%
Total Top 25 Taxpayers	686,738,013	12.32%
Total Taxable Value*	5,575,267,457	100.00%

Source: San Diego County Assessor data, MuniServices, LLC

*Total Taxable Value does not include SBOE unitary

CITY OF EL CAJON
Property Tax Levies and Collections
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxes levied	\$ 4,890,333	\$ 5,414,300	\$ 5,949,579	\$ 6,381,328	\$ 6,443,062	\$ 6,046,006	\$ 5,934,509	\$ 5,728,872	\$ 5,826,697	\$ 5,989,319
Collected within the fiscal year of levy	4,814,407	5,306,631	5,780,276	6,133,651	6,207,282	5,857,518	5,817,912	5,639,401	5,759,311	5,933,018
Delinquent collections	52,848	68,196	85,625	129,327	207,027	206,041	169,164	93,608	84,688	69,581
Total collections	<u>\$ 4,867,255</u>	<u>\$ 5,374,827</u>	<u>\$ 5,865,901</u>	<u>\$ 6,262,978</u>	<u>\$ 6,414,309</u>	<u>\$ 6,063,559</u>	<u>\$ 5,987,076</u>	<u>\$ 5,733,009</u>	<u>\$ 5,843,999</u>	<u>\$ 6,002,599</u>
Percentage of taxes collected within fiscal year of levy	98.4%	98.0%	97.2%	96.1%	96.3%	96.9%	98.0%	98.4%	98.8%	99.1%

Source: San Diego County Auditor and Controller

CITY OF EL CAJON
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Governmental Activities</u>										
General Bonded Debt										
Sales tax supported revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ 25,195,000	\$ 25,195,000	\$ 25,195,000	\$ 25,195,000	\$ 22,255,000	\$ 15,125,000
Tax allocation refunding bonds	45,440,000	56,000,000	71,075,000	69,950,000	68,780,000	67,575,000	66,320,000	- ^c	- ^c	-
Total Bonded Debt	<u>45,440,000</u>	<u>56,000,000</u>	<u>71,075,000</u>	<u>69,950,000</u>	<u>93,975,000</u>	<u>92,770,000</u>	<u>91,515,000</u>	<u>25,195,000</u>	<u>22,255,000</u>	<u>15,125,000</u>
Percentage of taxable assessed values (redevelopment areas only)	0	0	0	0	0	0	0	n/a ^c	n/a ^c	n/a
Per capita ^b	467	579	733	716	955	933	920	251	222	151
Other Governmental Activities Debt										
Capital leases	606,649	198,398	141,130	86,903	29,736	-	-	-	-	-
Notes payable	3,859,000	3,624,000	3,389,000	2,374,000	2,204,000	565,000	508,000	451,000	394,000	337,000
Total Other Governmental Activities Debt	<u>4,465,649</u>	<u>3,822,398</u>	<u>3,530,130</u>	<u>2,460,903</u>	<u>2,233,736</u>	<u>565,000</u>	<u>508,000</u>	<u>451,000</u>	<u>394,000</u>	<u>337,000</u>
<u>Business-type Activities</u>										
Other Business-type Activities Debt										
Obligation due to SD Metro Wastewater	<u>11,038,654</u>	<u>11,038,654</u>	<u>11,038,654</u>	<u>11,038,654</u>	<u>11,038,654</u>	<u>11,038,654</u>	<u>11,038,654</u>	<u>9,858,817</u>	<u>9,858,817</u>	<u>9,858,817</u>
Total Primary Government ^a	<u>\$ 60,944,303</u>	<u>\$ 70,861,052</u>	<u>\$ 85,643,784</u>	<u>\$ 83,449,557</u>	<u>\$ 107,247,390</u>	<u>\$ 104,373,654</u>	<u>\$ 103,061,654</u>	<u>\$ 35,504,817</u>	<u>\$ 32,507,817</u>	<u>\$ 25,320,817</u>
Percentage of personal income	1.79%	2.04%	2.39%	2.37%	3.24%	3.12%	3.11%	n/a	n/a	n/a
Per capita ^b	\$626	\$733	\$883	\$854	\$1,090	\$1,049	\$1,036	\$353	\$323	\$252

Notes:

^a Includes general bonded debt, other governmental activities debt, and

^b See Demographic and Economic Statistics on page N-16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^c The El Cajon Redevelopment Agency was dissolved effective 02/01/2012 and its non-housing assets and obligations were transferred to the Successor Agency.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF EL CAJON

Ratios of Bonded Debt Outstanding and Legal Debt Margin Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Citywide Bonded Debt										
Sales Tax supported revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ 25,195,000	\$ 25,195,000	\$ 25,195,000	\$ 25,195,000	\$ 22,255,000	\$ 15,125,000
Tax allocation refunding bonds	45,440,000	56,000,000	71,075,000	69,950,000	68,780,000	67,575,000	66,320,000	- ^d	- ^d	- ^d
Total bonded debt outstanding	<u>\$ 45,440,000</u>	<u>\$ 56,000,000</u>	<u>\$ 71,075,000</u>	<u>\$ 69,950,000</u>	<u>\$ 93,975,000</u>	<u>\$ 92,770,000</u>	<u>\$ 91,515,000</u>	<u>\$ 25,195,000</u>	<u>\$ 22,255,000</u>	<u>\$ 15,125,000</u>
State legal debt limit ^a	\$ 831,705,750	\$ 942,918,000	\$ 1,060,798,050	\$ 1,160,561,550	\$ 1,160,007,750	\$ 1,103,299,800	\$ 1,081,510,650	\$ 1,086,948,450	\$ 1,058,534,100	\$ 1,087,600,050
Legal debt margin within limit	\$ 786,265,750	\$ 886,918,000	\$ 989,723,050	\$ 1,090,611,550	\$ 1,066,032,750	\$ 1,010,529,800	\$ 989,995,650	\$ 1,061,753,450	\$ 1,036,279,100	\$ 1,072,475,050
Legal debt margin as a percentage of the debt limit	94.54%	94.06%	93.30%	93.97%	91.90%	91.59%	91.54%	97.68%	97.90%	98.61%
Percentage of Assessed Valuation of property ^b	0.82%	0.89%	1.01%	0.90%	1.22%	1.26%	1.27%	0.35%	0.32%	0.21%
Per Capita ^c	\$467	\$579	\$733	\$716	\$955	\$933	\$915	\$251	\$222	\$149
Redevelopment Agency Bonded Debt^d										
Tax allocation refunding bonds	\$ 45,440,000	\$ 56,000,000	\$ 71,075,000	\$ 69,950,000	\$ 68,780,000	\$ 67,575,000	\$ 66,320,000	\$ -	\$ -	\$ -
Redevelopment Agency debt limit ^d	\$ 171,365,639	\$ 178,766,520	\$ 183,570,044	\$ 192,788,546	\$ 190,037,885	\$ 191,801,762	\$ 191,801,762	\$ -	\$ -	\$ -
Legal debt margin within limit	\$ 125,925,639	\$ 122,766,520	\$ 112,495,044	\$ 122,838,546	\$ 121,257,885	\$ 124,226,762	\$ 125,481,762	\$ -	\$ -	\$ -
Legal debt margin as a percentage of the debt limit	73.48%	68.67%	61.28%	63.72%	63.81%	64.77%	65.42%	-	-	-
Percentage of Assessed Valuation of property located within the Redevelopment Area ^b	2.91%	3.29%	3.79%	3.42%	3.25%	3.29%	3.30%	-	-	-
Per Capita ^c	\$467	\$579	\$733	\$716	\$699	\$679	\$667	\$ -	\$ -	\$ -

Notes:

^aState law limits indebtedness for California cities to 15% of the assessed value of all real and personal property of the City.

^bSee Assessed Value and Net Taxable Assessed Value on page N-14 for property value data.

^cPopulation data can be found in Demographic and Economic Statistics on page N-16.

^dThe El Cajon Redevelopment Agency was dissolved effective 02/01/2012 and its non-housing assets and obligations were transferred to the Successor Agency.

^eUnder the Redevelopment Plan adopted July 14, 1987, the Agency's "amount of bonded indebtedness, to be repaid in whole or in part from such allocation of taxes, which can be outstanding at one time shall not exceed \$100 million aduste in accordance with the Consumer Price Index (CPI), or an acceptable replacement index in the event the CPA ceases to be published, without an amendment of this Plan."

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

CITY OF EL CAJON
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
TAX ALLOCATION BONDS										
Property Tax Incremental Revenues	\$ 9,067,206	\$ 10,499,258	\$ 13,884,949	\$ 15,089,353	\$ 12,495,350	\$ 11,897,087	\$ 11,514,535	\$ 6,313,512 ^b	\$ -	\$ -
Principal	\$ 1,025,000	\$ 29,440,000 ^ε	\$ 675,000	\$ 1,125,000	\$ 1,170,000	\$ 1,205,000	\$ 1,255,000	\$ 1,305,000 ^b	\$ -	\$ -
Interest	2,825,520	3,088,044	2,994,828	3,613,372	3,541,815	3,492,829	3,442,999	1,708,769 ^b	-	-
Pass-through payments	2,836,820	2,314,388	2,497,808	2,982,343	3,208,290	3,343,196	3,204,850	1,555,164 ^b	-	-
Total debt service	<u>\$ 6,687,340</u>	<u>\$ 34,842,432</u>	<u>\$ 6,167,636</u>	<u>\$ 7,720,715</u>	<u>\$ 7,920,105</u>	<u>\$ 8,041,025</u>	<u>\$ 7,902,849</u>	<u>\$ 4,568,933</u>	<u>\$ -</u>	<u>\$ -</u>
Coverage	1.36	0.30	2.25	1.95	1.58	1.48	1.46	1.38	-	-

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUE BONDS										
Sales Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,819,290	\$ 7,650,075	\$ 7,674,879	\$ 8,334,328	\$ 8,447,073
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,940,000	\$ 7,130,000
Interest	-	-	-	-	-	591,034	1,008,400	1,008,400	964,300	772,600
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591,034</u>	<u>\$ 1,008,400</u>	<u>\$ 1,008,400</u>	<u>\$ 3,904,300</u>	<u>\$ 7,902,600</u>
Coverage	0.00	0.00	0.00	0.00	0.00	11.54	7.59	7.61	2.13	1.07

Notes:

^a The 1997 Tax Allocation Bonds were refunded in fiscal year 2006.

^b The El Cajon Redevelopment Agency was dissolved effective 02/01/2012 and its non-housing assets and obligations were transferred to the Successor Agency. The numbers reported here are for the period July 1, 2011, through January 31, 2012.

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

CITY OF EL CAJON
Direct and Overlapping Governmental Activities Debt

2013-14 Assessed Valuation: \$7,243,713,155

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/14</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/14</u>
Metropolitan Water District	\$132,275,000	0.331%	\$ 437,830
Grossmont-Cuyamaca Community College District	256,139,481	18.527	47,454,962
Grossmont Union High School District	440,000,095	19.029	83,727,618
Cajon Valley Union School District	155,473,107	45.517	70,766,694
La Mesa-Spring Valley School District	35,439,849	9.099	3,224,672
Santee School District	43,316,799	3.683	1,595,358
Grossmont Healthcare District	220,567,076	17.467	<u>38,526,451</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$245,733,585

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
San Diego County General Fund Obligations	\$379,835,000	1.834%	\$ 6,966,174
San Diego County Pension Obligation Bonds	720,855,256	1.834	13,220,485
San Diego County Superintendent of Schools Certificates of Participation	16,125,000	1.834	295,733
Grossmont-Cuyamaca Community College District General Fund Obligations	1,270,000	18.527	235,293
Grossmont Union High School District Certificates of Participation	800,000	19.029	152,232
Cajon Valley Union School District Certificates of Participation	7,960,000	45.517	3,623,153
Santee School District Certificates of Participation	30,329,849	3.683	1,117,048
City of El Cajon General Fund Obligations	<u>15,125,000</u>	<u>100.</u>	<u>15,125,000</u>
San Miguel Consolidated Fire Protection District Certificates of Participation	4,575,000	0.001	<u>46</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$40,735,164
Less: City of El Cajon sales tax supported obligations			<u>15,125,000</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$25,610,164

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	\$75,345,000	91.043-100. %	\$69,769,268
---	--------------	---------------	--------------

TOTAL GROSS DIRECT DEBT	\$15,125,000
TOTAL NET DIRECT DEBT	\$0
TOTAL OVERLAPPING DEBT	\$341,113,017

GROSS COMBINED TOTAL DEBT	\$356,238,017 (2)
NET COMBINED TOTAL DEBT	\$341,113,017

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.39%
Gross Total Direct Debt (\$15,125,000)	0.21%
Net Total Direct Debt (\$0)	0.00%
Gross Combined Total Debt	4.92%
Net Combined Total Debt	4.71%

Ratios to Redevelopment Incremental Valuation (\$1,548,468,101):

Total Overlapping Tax Increment Debt	4.51%
--	-------

City of El Cajon
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Average Household Size ⁽³⁾	% High School Graduate ⁽³⁾	% Bachelor's Degree or Higher ⁽³⁾	Pct. Below Poverty ⁽³⁾	City Unemployment Rate (%) ⁽⁴⁾
2003-04	97,354	3,512,700	36,100	33.2	2.78	-	-	-	6.6%
2004-05	97,364	3,412,500	35,000	33.5	2.78	80.5%	17.8%	14.4%	6.0%
2005-06	96,699	3,475,500	35,900	33.4	2.77	80.7%	14.6%	15.8%	5.5%
2006-07	97,027	3,585,800	37,000	33.4	2.79	81.4%	17.1%	20.6%	6.3%
2007-08	97,684	3,527,100	36,100	33.4	2.80	78.5%	14.9%	21.0%	8.2%
2008-09	98,363	3,314,900	33,700	33.3	2.83	75.2%	17.0%	22.4%	13.1%
2009-10	99,478	3,342,800	33,600	34.0	2.84	77.4%	14.2%	29.7%	14.2%
2010-11	99,981	3,309,400	33,100	34.3	2.84	78.3%	18.8%	23.5%	13.5%
2011-12	100,562	2,275,617	22,629	34.3	2.84	78.8%	17.1%	23.3%	12.2%
2012-13	100,460	2,273,317	22,629	33.7	2.84	78.8%	17.1%	23.3%	12.2%
2013-14	101,256	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: MuniServices, LLC.

Source: 2011-12 and prior, previously published CAFR Report

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

3.) Median Age, Average Household Size, % High School Grads and % Bachelor's Degree or Higher is provided by US Census data.

4.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

City of El Cajon
Principal Employers
Last Fiscal Year and Eight Years Ago

Business Name	2013-14		2005-06	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Cajon Valley Union School District*	1,412	2.63%	0	0.00%
Grossmont-Cuyamaca Community College District**	712	1.33%	1,490	3.54%
GKN Aerospace Chem-Tronics Inc	859	1.60%	873	2.08%
City of El Cajon	450	0.84%	488	1.16%
Grossmont Unified High School District**†	431	0.80%	1,064	2.53%
Taylor-Listug Inc	400	0.75%	320	0.76%
Country Hills Health Care	357	0.67%	0	0.00%
University Mechanical & Engineering	352	0.66%	0	0.00%
Home Depot	339	0.63%	0	0.00%
Senior Operations, Inc	0	0.00%	630	1.50%
Windowmaster Products	0	0.00%	370	0.88%
Sayco Container, Inc.	0	0.00%	1,000	2.38%
American Habitation Services	0	0.00%	350	0.83%
True Temper Sports	0	0.00%	340	0.81%
Wal-Mart Stores	260	0.49%	0	0.00%
Total Top 10 Employers	5,572	10.40%	0	16.47%
 Total City Labor Force (1)	 53,600		 42,060	

Source: 2013-14 MuniServices, LLC. Results based on direct correspondence with city's local businesses.

(1) Total City Labor Force provided by EDD Labor Force Data.

*Includes

full-time classified employees, full-time certificated employees, certificated administrators, management and supervisory

**Includes full-time classified and certificated employees at school sites in El Cajon only and the district office.

†Includes 4 high schools in El Cajon only.

Source: 2005-06 previously published CAFR report

Pre-2006 data not readily available for the City of El Cajon.

CITY OF EL CAJON
Full-time Equivalent City Government Employees
By Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>As of June 30</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>General Government</u>										
City Manager	4.50	37.00	11.30	10.45	11.55	11.55	6.55	4.50	9.35	9.35
City Clerk	4.75	4.75	4.00	3.75	4.00	3.00	3.00	3.00	3.00	3.00
City Attorney	2.00	2.00	3.00	1.50	3.00	2.00	1.50	2.00	2.00	2.00
Finance	15.00	14.50	14.50	11.40	12.00	12.00	12.00	9.45	11.45	14.00
Human Resources	5.00	5.00	4.00	3.80	4.00	3.50	2.80	4.40	4.00	4.00
Administrative Services ^a	42.60	-	-	-	-	-	-	-	-	-
<u>Police</u>										
Officers ^c	146.00	146.00	139.00	131.00	130.50	124.00	120.00	120.00	122.00	122.00
Civilians ^c	74.50	74.50	72.70	70.20	70.70	70.70	68.70	68.70	69.20	69.20
Animal Control	9.00	9.00	8.00	8.00	6.00	6.00	5.00	5.00	5.00	5.00
<u>Fire</u>										
Firefighters and Officers	71.00	72.00	70.00	67.00	70.00	70.00	68.00	73.00	72.00	72.00
Civilians	2.00	2.00	2.20	2.00	2.20	2.20	2.20	2.20	2.20	2.20
<u>Public Works</u>										
Engineering	22.75	22.90	17.55	10.60	17.60	17.60	11.90	15.25	12.35	17.00
Wastewater	30.55	30.30	28.45	30.40	28.90	28.80	29.10	34.35	31.80	31.80
Other	21.20	21.30	77.80	73.30	76.30	71.90	74.70	66.80	68.90	61.70
<u>Parks & Recreation</u>										
Parks ^{a b}	31.00	38.50	-	-	-	-	-	-	-	-
Recreation	20.50	20.50	16.00	20.00	15.00	14.00	15.00	14.45	15.00	15.00
<u>Community Development</u>										
	21.40	21.40	23.00	26.35	26.25	26.45	26.05	20.25	20.50	20.50
Total	523.75	521.65	491.50	469.75	478.00	463.70	446.50	443.35	448.75	448.75

Notes:

^a In 2006, Administrative Services became part of the City Manager's department, except Fleet Maintenance, which moved from Administrative Services to Parks.

^b In 2007, Parks moved from Parks & Recreation and Facilities Maintenance moved from City Manager to become part of Public Works.

^c Data restated for 2005 - 2009.

CITY OF EL CAJON
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building permits issued	2,591	3,110	1,762	1,364	1,188	1,101	1,245	1,238	1,376	1,534
Building inspections conducted ^a	11,713	11,816	8,370	8,029	5,263	7,859	4,279	4,337	5,340	2,522
Police										
Physical arrests ^c	5,782	6,391	5,780	5,119	5,300	5,321	4,605	4,513	5,015	5,088
Traffic violations	13,212	12,455	13,931	16,953	13,955	13,354	12,235	9,968	10,915	3,653
Parking violations	1,767	2,273	2,956	3,098	2,550	3,282	3,248	4,049	3,085	2,764
Animal Control ^a										
Licenses issued	2,468	2,387	2,386	2,345	2,431	2,439	2,731	2,290	2,254	2,025
Adoptions ^b	1,077	1,093	1,201	1,150	1,146	1,191	1,234	1,106	1,112	951
Fire ^a										
Emergency responses	11,250	10,582	9,858	9,607	10,543	12,122	12,829	13,177	11,549	12,087
Fires extinguished	37	63	154	120	126	469	253	752 ^d	410 ^e	368 ^e
Fires investigated	37	63	154	120	126	469	253	318	410 ^e	368 ^e
Inspections	1,050	691	534	403	4,108	2,657	3,058	3,684	3,921	535
Abatement compliance	51	46	76	360	294	298	288	580	407	418
CERT Academy citizen attendance	60	110	72	29	39	38	42	59	58	57
Public works										
Street resurfacing (miles)	6	2	4	7	2	18	10	3	11	6
Recreation										
Rentals	609	542	600	648	615	467	385	346	362	367
Bookings	4,244	3,664	3,341	4,196	3,430	2,852	2,463	2,156	1,799	1,704
Attendance	179,958	70,912	146,124	124,757	136,540	149,990	91,572	195,677	85,574	88,875
Wastewater										
Average daily sewage transportation (thousands of gallons)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000

Sources: Various city departments

Notes :

^a 2005 - 2007 data was compiled by calendar years; fiscal year amounts represented here are averages of the two calendar years each fiscal year crosses.

^b Data restated for years 2005 - 2006.

^c Data restated for years 2008 - 2009.

^d Now part of Heartland Fire and Rescue JPA, El Cajon Fire Department responds to fires in the La Mesa, Lemon Grove, and San Miguel fire districts.

^e This data is for fires within El Cajon city limits.

CITY OF EL CAJON
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Police										
Headquarters	1	1	1	1	1	1	1	1	1	1
Satellite Police Facilities	2	2	2	2	1	1	1	0 ^a	0	0
Animal Shelter	1	1	1	1	1	1	1	1	1	1
Patrol units	53	54	54	54	53	56	56	56	56	56
Undercover units	31	31	31	31	29	30	30	30	30	30
Tactical units	4	4	4	4	6	5	5	5	5	5
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Engines/Pumper trucks	8	8	8	8	7	7	7	7	7	7
Ladder truck	1	1	1	1	1	1	1	1	1	1
Battalion Chief units	2	2	2	2	2	2	2	2	2	2
Ambulances	5	5	5	5	5	6	6	7	7	7
Public works										
Streets (miles)	196	196	196	196	196	196	196	196	196	196
Streetlights	2,160	2,173	2,207	2,219	2,219	2,204	2,334	2,331	2,352	2,356
Traffic signals	109	112	112	112	112	112	112	112	112	112

CITY OF EL CAJON
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Parks and recreation										
Acreage	120	120	120	120	120	120	120	120	120	120
Community centers	7	7	7	7	7	7	7	7	7	7
Playing fields	5	5	5	5	5	5	5	5	5	5
Playing courts	5	5	5	5	5	5	5	5	5	5
Playgrounds	5	5	5	5	5	5	6	6	6	6
Tennis courts	1	1	1	1	1	1	1	1	1	1
Baseball/softball diamonds	2	2	2	2	2	2	2	2	2	2
Soccer/football fields	2	2	2	2	2	2	2	2	2	2
Outdoor basketball courts	3	3	3	3	3	3	3	3	3	3
Gymnasiums	4	4	4	4	4	4	4	4	4	4
Amphitheaters	3	3	3	3	3	3	3	3	3	3
Swimming pool	1	1	1	1	1	1	1	1	1	1
Skatepark	1	1	1	1	1	1	1	1	1	1
Dog park	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	195	195	195	195	195	195	195	195	195	195
Storm sewers (miles)	72	72	72	72	72	72	72	72	72	72

Sources: Various city departments

Notes :

^a All divisions moved into the new Public Safety Center in August 2011.

CITY OF EL CAJON

ACKNOWLEDGEMENTS

Finance Department

(in alphabetical order)

Victor Bagdasar
Lori Bogan
Victoria Danganan
Merce Edwards
Carol Locken, CPA
Karla Lowe
Jinan Michael
Joyce Nevarez, CPA
Nancy Palm
Dede Porter
Holly Reed-Falk, CPA
Mara Romano
Clay Schoen, CPA
John Sunkel
Linda Umphress

Cover Design and Photograph

Mary Ann Prall

Printing & Binding

Patti Jepsen